بدر صالح لمراجعة الحسابات
BADER SALEH AUDITING OF ACCOUNTS

ELAN INCORPORATED (FZE)
Sharjah – United Arab Emirates
Manager's Report and Financial Statements
Together with Independent Auditor's Report
For the year ended 31 December 2024

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ELAN INCORPORATED (FZE)
Manager's Report and Financial Statements
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For the year ended 31 December 2024

Contents

ELAN INCORPORATED (FZE)
Sharjah – United Arab Emirates
Establishment's Information

Licensing Authority:	Sharjah Airport International Free Zone (SAIF Zone) Authority, Sharjah – United Arab Emirates
Registered Address:	Plot of Land M3-7,9&11, P.O.Box 9410, Sharjah, United Arab Emirates
Principal Activities:	General trading and manufacturing of plastic products
Manager:	Mr. Georgekutty Kochuthekkethil Thomas
Independent Auditor:	Bader Saleh Auditing of Accounts Office No.: 404, Office Court Building, Oud Metha, P.O. Box: 111390, Dubai, United Arab Emirates
Banker:	Bank of Baroda Mashreq Bank Sharjah Islamic Bank

MANAGER'S REPORT

I have pleasure in presenting this report and the audited financial statements of ELAN INCORPORATED (FZE) ("the Establishment") for the year ended 31 December 2024.

Legal status and principal activities of the establishment

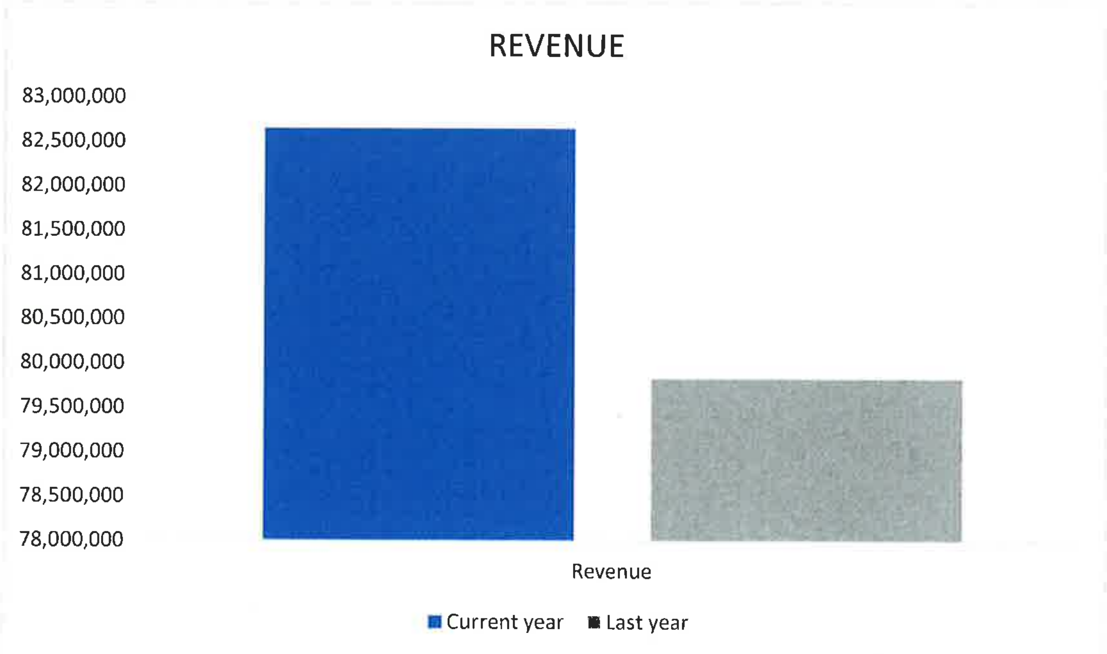
The Establishment was registered on 28 March 2005 as a Free Zone Establishment with Limited Liability and operates under the Commercial License No. 09751 and Industrial License No. 02793 issued by the Sharjah Airport International Free Zone (SAIF Zone) Authority, Government of Sharjah, Sharjah, United Arab Emirates.

The principal activities of the Establishment under licenses are general trading and manufacturing of plastic products. Management and controls of the Establishment are vested with the Manager, Mr. Georgekutty Kochuthekkethil Thomas.

The registered address of the Establishment is Plot of Land M3-7,9&11, P.O.Box 9410, Sharjah, United Arab Emirates.

Financial results of the establishment

The net profit and revenue of the Establishment for the year ended 31 December 2024 amounted to AED 10,174,575 and AED 82,652,388 (2023: AED 6,400,579 and AED 79,828,897 respectively). The detailed results of the Establishment's operations are set out in the statement of comprehensive income.



	31 December 2024 AED	31 December 2023 AED
Net asset value	**98,212,022**	88,037,447
Working capital	**25,008,846**	7,384,593
GP ratio	**23.96%**	16.95%
NP ratio	**12.31%**	8.02%
Current ratio	**2.09**	1.18

MANAGER'S REPORT (continued)

Management's responsibility

As a Manager of the Establishment, I am responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the applicable provisions of the Sharjah Airport International Free Zone Authority pursuant to Law No. 2 of 1995 and for such internal control as I determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

I am also responsible for keeping proper accounting records, which disclose with reasonable accuracy, at any time, the financial position of the Establishment and to ensure that the financial statements comply with any applicable legislation. I am also responsible for safeguarding the assets of the Establishment and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

I confirm that the Establishment has complied with the above requirements in preparing the financial statements.

Approval of the financial statements

I as a Manager, approved these financial statements.

Independent auditor

Bader Saleh Auditing of Accounts, United Arab Emirates has indicated their willingness to continue in office as the independent auditor of the Establishment.

Mr. Georgekutty Kochuthekkethil Thomas
Manager
15 May 2025

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INDEPENDENT AUDITOR'S REPORT

To the Shareholder of
ELAN INCORPORATED (FZE)
Sharjah, United Arab Emirates

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of ELAN INCORPORATED (FZE) ("the Establishment"), which comprise the statement of financial position as at 31 December 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Establishment as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

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 Financial Statements* section of our report.

Independence

We are independent of the Establishment in accordance with the International Ethics Standard Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates and we have 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.

Other Matter

The financial statements of the Establishment for the year ended 31 December 2023 were audited by another auditor who expressed an unmodified opinion on these financial statements on 06 May 2024.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and any of the applicable provisions of the Sharjah Airport International Free Zone Authority pursuant to Law No. 2 of 1995 and Memorandum and Articles of Association and, for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Establishment'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 Establishment or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Establishment's financial reporting process.

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF ELAN INCORPORATED (FZE) *(continued)*

Other Information

The management is responsible for other information, which comprises the Manager's report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the accompanying financial statements for the year ended 31 December 2024 does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with the audit of the accompanying financial statements, our responsibility is to read the other information identified above and consider whether these are materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appear materially misstated.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 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 Establishment'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 the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Establishment'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 financial statements. If such disclosures are inadequate, we are required 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 Establishment to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF ELAN INCORPORATED (FZE) *(continued)*

Auditor's Responsibilities for the Audit of the Financial Statements *(continued)*

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.

Report on Other Legal and Regulatory Requirements

We also confirm that, in our opinion, the financial statements include, in all material respects, the applicable requirements of the Sharjah Airport International Free Zone Authority pursuant to Law No. 2 of 1995; proper books of account have been kept by the Establishment, and the contents of the report of the Manager relating to these financial statements are consistent with the books of account.

We have obtained all the information and explanations which we required for the purpose of our audit and, to the best of our knowledge and belief, no violations of the Sharjah Airport International Free Zone Authority pursuant to Law No. 2 of 1995 have occurred during the year which would have had a material effect on the business of the Establishment or on its financial position.

By: Bader Saleh Ali Mohammad Hall
Registered Auditor Number: 516

Bader Saleh Auditing of Accounts

16 May 2025

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ELAN INCORPORATED (FZE)
Statement of Financial Position
As at 31 December 2024

	Note	2024 AED	2023 AED
Assets			
Non-current assets			
Property and equipment	5	**22,586,995**	23,267,375
Investment in subsidiaries	6	**9,858,527**	9,980,941
Loans to related parties	7(a)	**42,109,447**	48,556,945
Total non-current assets		**74,554,969**	81,805,261
Current assets			
Inventories	8	**13,465,773**	13,356,291
Trade and other receivables	9	**22,306,915**	20,953,756
Due to related parties	7(b)	**2,205,502**	625,490
Cash and bank balances	10	**9,485,539**	5,556,986
Fixed deposits	11	**500,000**	7,223,091
Total current assets		**47,963,729**	47,715,614
Total assets		**122,518,698**	129,520,875
Equity and liabilities			
Equity			
Share capital	12	**11,100,000**	11,100,000
Retained earnings		**87,112,022**	76,937,447
Total equity		**98,212,022**	88,037,447
Non-current liabilities			
Employees' end of service benefits	13	**1,262,842**	1,134,890
Non current portion of borrowings	15	**88,951**	17,517
Total non-current liabilities		**1,351,793**	1,152,407
Current liabilities			
Trade and other payables	14	**5,487,092**	9,664,727
Due to related parties	7('c)	**17,411,084**	25,715,980
Due to banks	15	-	4,898,905
Current portion of borrowings	15	**56,707**	51,409
Total current liabilities		**22,954,883**	40,331,021
Total liabilities		**24,306,676**	41,483,428
Total equity and liabilities		**122,518,698**	129,520,875

The annexed notes from 1 to 27 form an integral part of these financial statements.

Mr. Georgekutty Kochuthekkethil Thomas
Manager
15 May 2025

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ELAN INCORPORATED (FZE)
Statement of Comprehensive Income
For the year ended 31 December 2024

	Note	2024 AED	2023 AED
Revenue	16	**82,652,388**	79,828,897
Cost of revenue	17	**(62,851,585)**	(66,294,459)
Gross profit		**19,800,803**	13,534,438
Other income		**61,919**	216,954
Selling and marketing expenses		**(4,320,307)**	(39,268)
General and administrative expenses	18	**(7,613,127)**	(6,117,012)
Exchange loss		**-**	(24,069)
Operating profit		**7,929,288**	7,571,043
Finance income		**2,413,925**	-
Finance costs		**(168,638)**	(1,170,464)
Profit before tax for the year		**10,174,575**	6,400,579
Income tax expense	19	**-**	-
Net profit for the year		**10,174,575**	6,400,579
Other comprehensive income		**-**	-
Total comprehensive income for the year		**10,174,575**	6,400,579

The annexed notes from 1 to 27 form an integral part of these financial statements.

Mr. Georgekutty Kochuthekkethil Thomas
Manager
15 May 2025

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ELAN INCORPORATED (FZE)
Statement of Changes in Equity
For the year ended 31 December 2024

	Share capital AED	Retained earnings AED	Total AED
	(Note 12)		
Balance as at 01 January 2023	11,100,000	70,536,868	81,636,868
Net profit for the year	-	6,400,579	6,400,579
Balance as at 31 December 2023	**11,100,000**	**76,937,447**	**88,037,447**
Net profit for the year	-	10,174,575	10,174,575
Balance as at 31 December 2024	**11,100,000**	**87,112,022**	**98,212,022**

The annexed notes from 1 to 27 form an integral part of these financial statements.

For Identification Purpose Only

ELAN INCORPORATED (FZE)
Statement of Cash Flows
For the year ended 31 December 2024

	Note	**2024 AED**	2023 AED
Cash flows from operating activities			
Profit before tax for the year		**10,174,575**	6,400,579
Adjustments for:			
Provision for employees' end of service benefits	13	**288,213**	279,413
Depreciation	5	**3,784,076**	3,431,383
Gain on sale of property, plant and equipment		-	(22,850)
		14,246,864	10,088,525
Changes in working capital:			
Changes in current assets:			
Inventories		**(109,482)**	4,537,570
Trade and other receivables		**(1,353,159)**	(1,548,350)
Due from related parties		**(1,580,012)**	1,944,597
Changes in current liabilities:			
Trade and other payables		**(4,177,635)**	(520,168)
Due to related parties		**(8,304,896)**	6,091,519
Cash generated from operating activities		**(1,278,320)**	20,593,693
Employees end of service benefits paid		**(160,261)**	(91,469)
Net cash (used in)/generated from operating activities		**(1,438,581)**	20,502,224
Cash flows from investing activities			
Purchase of property and equipment		**(3,207,637)**	(4,473,358)
Proceeds from sale of property, plant and equipment		**103,941**	22,850
Investment in subsidiaries		**122,414**	7,839,502
Fixed deposit		**6,723,091**	(1,830,904)
Net cash generated from investing activities		**3,741,809**	1,558,090
Cash flows from financing activities			
Loan to related parties		**6,447,498**	(13,646,641)
Due to banks		**(4,898,905)**	(3,895,764)
Vehicle loans		**76,732**	(47,993)
Term loans		-	(2,154,056)
Net cash generated from/(used in) financing activities		**1,625,325**	(19,744,454)
Net increase in cash and cash equivalents		**3,928,553**	2,315,860
Cash and cash equivalents at beginning of the year		**5,556,986**	3,241,126
Cash and cash equivalents at end of the year	10	**9,485,539**	5,556,986

The annexed notes from 1 to 27 form an integral part of these financial statements.

For Identification Purpose Only

1 General information

ELAN INCORPORATION (FZE) ("the Establishment") was registered on 28 March 2005 as a Free Zone Company with Sharjah Airport International Free Zone Authority, Government of Sharjah, Sharjah, United Arab Emirates.

The Company operates with two licences as given below:

a) Commercial License:

Commercial License was issued on 28 March 2005 by Sharjah Airport International Free Zone Authority. The principle activity of the company under Commercial Licence No. 09751 is general trading.

b) Industrial Licence:

Industrial License was issued on 28 March 2005 by Sharjah Airport International Free Zone Authority. The principal activity of the company under Industrial License No. 02793 is manufacturing of plastic products.

The registered address of the Company is Plot of Land M3-7,9 & 11, P.O.Box 9410, Sharjah, United Arab Emirates.
The Company is registered with Federal Tax Authority (FTA) for Value Added Tax (VAT) under Tax Registration Number (TRN) 100045578000003.

2 Basis of preparation

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) issued and adopted by the International Accounting Standards Board ("IASB") and the interpretations issued by the International Financial Reporting Interpretation Committee of the IASB and the applicable requirements of the Sharjah Airport International Free Zone Authority pursuant to Law No. 2 of 1995.

Accounting convention

These financial statements have been prepared on the historical cost basis, unless otherwise stated.

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Establishment operates. These financial statements are presented in Arab Emirates Dirham (AED), which is the Establishment's functional currency.

Changes in accounting policies and disclosures

New and amended standards, and interpretations effective for the first time and applied:

The following new and revised IFRSs, which became effective for the financial year beginning on or after 1 January 2024, have been adopted in these aed financial statements. The application of these revised IFRSs, except where stated, have not had any material impact on the amounts reported for the current and prior periods.

New standards and amendments applicable as on or after January 01,2024

- Amendments to IFRS 16: Lease Liability in a Sale and Leaseback
  - In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

2 Basis of preparation *(continued)*

Changes in accounting policies and disclosures *(continued)*

New standards and amendments applicable as on January 01,2024 (continued)

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Company's financial statements.

- Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

  In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows

  The transition rules clarify that an entity is not required to provide the disclosures in the year of initial application of the amendments. Thus, the amendments had no impact on the Company's financial statements.

New standards and amendments issued but not effective for the current annual period:

- IFRS 18 Presentation and Disclosure in Financial Statements
  - The IASB issued IFRS 18 Presentation and Disclosure in Financial Statements in April 2024. IFRS 18 aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows.
  - IFRS 18 is effective from 1 January 2027. Companies are permitted to apply IFRS 18 before that date. IFRS 18 replaces IAS 1 Presentation of Financial Statements. Requirements in IAS 1 that are unchanged have been transferred to IFRS 18 and other Standards. IFRS 18 will affect the presentation and disclosure of financial performance in the entity's financial statements when adopted.
- IFRS 19 Subsidiaries without Public Accountability: Disclosures
  - IFRS 19 specifies reduced disclosure requirements that an eligible entity is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards. IFRS 19 was issued in May 2024 and applies to an annual reporting period beginning on or after 1 January
- Amendments to IAS 21: Lack of Exchangeability
  - The IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates which require disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable. The amendment apply to annual reporting periods beginning on or after 1 January 2025 and can be applied earlier.

Topics covered by these standards/interpretations are either not relevant for the preparations of this set of IFRS financial statements or the Establishment does not foresee that the application of these standards/interpretations will result in a significant impact on figures and disclosures on the reporting period they will be adopted except in certain cases where it is not practicable to provide a reasonable estimate of the effect until a detailed review has been completed.

3 Summary of significant accounting policies

A summary of the significant accounting policies, which have been applied consistently in the preparation of these financial statements, is set out below.

Current versus non-current classification

The Establishment presents assets and liabilities in the statement of financial position based on current or non-current classification. An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- 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 classified as current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- 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.

All other liabilities are classified as non-current.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is calculated on a straight line basis over the estimated useful lives of the assets as follows:

	Years
Factory Building	20
Plant and machinery	20
Furniture and fittings	5
Office equipments	5
Moulds	10
Motor vehicles	10

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the assets are written down to its recoverable amount, being the higher of its fair value less costs to sell and its value in use.

Expenditure incurred to replace a component of an item of property and equipment is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property and equipment. All other expenditure is recognised in the statement of comprehensive income as the expense is incurred.

An item of property and equipment is derecognised upon disposal or when no future benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the statement of comprehensive income in the year the asset is derecognised.

The assets residual values, useful lives and methods of depreciation are reviewed at each financial year end, and adjusted prospectively if, appropriate.

3 Summary of significant accounting policies *(continued)*

Financial Instruments

Derecognition of financial assets:

A financial asset is derecognised when (i) the rights to receive cash flows from the asset have expired; and (ii) the Establishment has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Establishment has transferred substantially all the risks and rewards of the asset, or (b) the Establishment has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Derecognition of financial liabilities:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender with substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Investment in subsidiary

A subsidiary is an entity over which the Company has control. Control over an investee is achieved if and only if the Company has directly or indirectly:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

Generally, there is a presumption hat a majority of voting result in control. To support the presumption and when the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- contractual arrangements with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Company's voting rights and potential voting rights.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises purchase cost and import, the latter being allocated on the basis of normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business.

Trade receivables

Trade receivables are initially recognized at fair value plus any directly attributable transaction cost. Subsequent to initial recognition, these are measured at amortised cost using the effective interest method, less any impairment losses. An impairment allowance is calculated using the ECL approach as defined in IFRS 9. Bad debts are written off when there is no possibility of recovery.

For Identification Purpose Only

3 Summary of significant accounting policies *(continued)*

Cash and cash equivalents

For the purpose of presenting in the statement of cash flows, cash and cash equivalents comprise cash in hand and cash with banks in current accounts.

Equity

Ordinary shares are classified as equity. The considerations received are shown in equity after deduction of incremental costs directly attributable to the issue of shares.

Shareholder's current account

Shareholder's current account is classified as part of equity to better reflect the nature of the account and its comparability.

Trade payables

Trade payables represent liabilities for goods and services provided to the Establishment prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within the required time. Trade payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Employees' end of service benefits

The Establishment provides end of service benefits to its expatriate employees. The entitlement to these benefits is usually based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is recognised in the statement of profit or loss over the period of loan.

Income taxes

Adoption of Income Taxes – IAS 12

On December 09, 2022, the United Arab Emirates (UAE) Ministry of Finance ("MoF") release Federal Decree Law No.47 of 2022 on the taxation of Corporations and Businesses, Corporate Tax Law ("CT Law") to enact a new CT regime in the U.A.E. The new CT regime has now become effective for accounting periods beginning on or after June 01,2023 having effective rate of 9%. The Entity adopted IAS 12 with the date of initial application of June 01,2023. There is no impact of IAS 12 application on the opening balances or retained earnings as per the U.A.E CT Law.

Identification Purpose Only

3 Summary of significant accounting policies *(continued)*

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognized as a liability. If the amount already paid in respect of current and prior periods exceed the amount due for those tax periods, the excess is recognized as an asset. The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the condensed statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

Current tax liabilities/assets for the current and prior periods are measured at the amount expected to be paid to/recovered from the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred taxes are recognized as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from.

- a transaction or event which is recognize in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

Provisions

Provisions are recognised when the Establishment has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities

A contingent liability is disclosed when the Establishment has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Establishment; or the Establishment has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

Revenue recognition

The Establishment recognises revenue from contracts with customers based on a five-step model as set out in 'IFRS 15 – Revenue from Contracts with Customers' as follows:

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and set out the criteria for every contract that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligations is a promise in a contract with a customer to transfer to the customer either a good or service (or a bundle of goods or services) that is distinct; or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

3 Summary of significant accounting policies *(continued)*

Revenue recognition *(continued)*

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Establishment will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Establishment expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognise revenue when (or as) the entity satisfies a performance obligation.

Revenue from sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Finance costs

Interest expenses that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Finance income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and at the interest rate applicable.

Foreign currency transaction and translation

Transactions in foreign currency are accounted for at the exchange rates prevailing on the date of transactions. All monetary assets and liabilities denominated in foreign currencies at the year-end are translated at exchange rates prevailing at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using exchange rate at the date of transaction. Exchange differences are included in statement of comprehensive income for the year.

Value added tax

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

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

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the financial statements.

4 Significant accounting judgements, estimates and assumptions

The preparation of these financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures and the disclosure of contingencies and commitments at the reporting date. Uncertainty about these estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future years.

Estimates and their underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised.

4 Significant accounting judgements, estimates and assumptions *(continued)*

Judgements

As at the reporting date, management has used the following key judgements that have a significant impact on the financial statements of the Establishment:

Revenue from contracts with customers:

- Satisfaction of performance obligations - The Establishment assesses each of its contracts with customers to determine whether performance obligations are satisfied over a period of time or at a single point in time in order to determine the appropriate method of revenue recognition.
- Determination of transaction price - The Establishment determines the transaction price in respect of each of its contracts with customers. In doing so, the Establishment assesses the impact of any variable consideration, any significant financing component and any non-cash consideration included in the contract.
- Allocation of transaction price to performance obligation in contracts with customers - A transaction price is allocated to each performance obligation on the basis of their stand-alone selling prices. The Establishment estimates the standalone selling price as a price at which a promised service is sold separately to a customer in the market.
- Transfer of control in contracts with customer - Where the Establishment determines that performance obligations are satisfied at a single point in time, revenue is recognized when control over the asset is transferred to the customer. Significant judgement is required to evaluate when 'control' is transferred to the customer.

Estimates and assumptions

The key estimates and assumptions that have a significant impact on the financial statements of the Establishment are discussed below:

Useful lives of property and equipment:

The Establishment's management determines the estimated useful lives of its property and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

Provision for expected credit losses of trade receivables:

The Establishment uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Establishment's historical observed default rates. The Establishment will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year, which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Establishment's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

5 Property and equipment

	Factory Building AED	Plant and machinery AED	Furniture and fittings AED	Office equipments AED	Moulds AED	Motor vehicles AED	Total AED
Cost:							
At 01 January 2023	9,355,414	24,531,765	366,073	413,231	16,079,387	2,138,608	52,884,478
Additions during the year	40,244	4,151,665	2,760	5,730	653,151	217,099	5,070,649
Disposals during the year	-	-	-	-	-	(177,478)	(177,478)
At 31 December 2023	**9,395,658**	**28,683,430**	**368,833**	**418,961**	**16,732,538**	**2,178,229**	**57,777,649**
Additions during the year	-	**1,782,066**	-	-	**1,093,707**	**331,864**	**3,207,637**
Disposals during the year	-	-	-	-	**(597,291)**	**(257,578)**	**(854,869)**
At 31 December 2024	**9,395,658**	**30,465,496**	**368,833**	**418,962**	**17,228,954**	**2,252,515**	**60,130,417**
Depreciation:							
At 01 January 2023	5,002,147	11,230,438	357,884	398,556	12,419,536	1,847,808	31,256,369
Disposals during the year	-	-	-	-	-	(177,478)	(177,478)
Charge for the year	468,470	1,140,783	2,006	3,317	1,610,961	205,846	3,431,383
At 31 December 2023	**5,470,617**	**12,371,221**	**359,890**	**401,873**	**14,030,497**	**1,876,176**	**34,510,274**
Disposals during the year	-	-	-	-	**(597,293)**	**(153,635)**	**(750,928)**
Charge for the year	**469,784**	**1,500,656**	**1,789**	**3,418**	**1,697,969**	**110,460**	**3,784,076**
At 31 December 2024	**5,940,401**	**13,871,877**	**361,679**	**405,291**	**15,131,173**	**1,833,001**	**37,543,422**
Net book value :							
At 31 December 2024	**3,455,257**	**16,593,619**	**7,154**	**13,671**	**2,097,781**	**419,514**	**22,586,995**
At 31 December 2023	3,925,041	16,312,209	8,943	17,088	2,702,041	302,053	23,267,375

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6 Investment in subsidiaries

	2024	2023
	AED	AED
M/S. Technika corporation (FZE), Sharjah, UAE	**5,850,000**	5,850,000
M/S. Nile Egypt Plastech Industries S.A.E., Egypt	**3,708,527**	3,708,527
M/S. Noor Al- Plastic Industrial Company, KSA	**-**	122,414
M/S. Ecotech Life Cycle Management LLC	**300,000**	300,000
	9,858,527	9,980,941

The above represent investments made by the entity in the aforementioned entities and are shown at cost.

7 Related party transactions

The Establishment, in the normal course of business, enters into transactions with other entities, which fall within the definition of a related party as contained in International Accounting Standards no. (24). Related parties comprise companies under common ownership and / or common management and control and key management personnel. 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) Amount due from a related party at year end is as follow:

	2024	2023
	AED	AED
M/S. Core Plastic International Inc.	**1,272,948**	-
M/s. Ecowave Plastic And Metal Waste Trading L.L.C	**21,000**	-
M/s. PT Novo Complast	**7,584**	-
M/s. Time Technoplast Limited	**269,000**	-
M/S. Nile Egypt Plastech Industries S.A.E., Egypt	**634,970**	625,490
	2,205,502	625,490

b) Amounts due to related parties at year end are as follow:

	2024	2023
	AED	AED
M/S. Al Nour Plastic Industrial Company, KSA	**31,145**	44,376
M/S. Avion Exim Pvt. Ltd, India	**397,185**	343,566
M/S. Tech Complast LLC	**4,479,184**	-
M/S. Ecotech Life Cycle Management LLC	**-**	3,640,562
M/S. Gulf Power Beat W.L.L, Bahrain	**5,054,391**	15,194,486
M/S. Pack Delta Public Company Limited, Thailand	**747,823**	430,709
M/S. Time Technoplast Limites, India	**6,667,863**	5,917,103
M/s. YPA Thailand Ltd	**33,493**	-
M/S. Core Plastic International Inc.	**-**	145,178
	17,411,084	25,715,980

7 Related party transactions *(continued)*

c) Loans to related parties

	2024 AED	2023 AED
M/S. Al Nour Plastic Industrial Company, KSA	**7,235,379**	7,112,965
M/S. Tech Complast LLC	**-**	404,887
M/S. Ecotech Life Cycle Management LLC	**1,676,946**	1,556,518
M/S. Nile Egypt Plastech Industries S.A.E., Egypt	**1,285,375**	1,285,375
M/S. Gnxt Investment Holdings Pte Ltd	**22,775,870**	31,483,400
M/s. Gulf Powerbeat	**-**	-
M/S. Ikon Investment Holding Ltd	**3,459,186**	3,459,186
M/S. Technika Corporation (FZE), Sharjah, UAE	**3,299,954**	3,254,614
Interest receivable-earned but uncollected interest	**2,376,737**	-
	42,109,447	48,556,945

Terms and conditions of transactions with related parties:

The balance of each related party is unsecured, interest free and settlement occurs in cash and the balance is repayable on demand by the lender.

c) Transactions with related parties during the year:

	2024 AED	2023 AED
Sales	**8,031,584**	5,122,224
Purchases	**16,957,526**	11,153,739
Advance payment	**-**	145,177
Expenses and reimbursement	**154,241**	98,328
Cash margin	**580,429**	2,498,988
Working capital loan	**(8,824,235)**	13,646,643

8 Inventories

	2024 AED	2023 AED
Stock of materials	**11,637,051**	11,637,048
Finished goods	**1,828,722**	1,719,243
	13,465,773	13,356,291

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9 Trade and other receivables

	2024	2023
	AED	AED
Trade receivables	**19,730,954**	16,575,747
Refundable deposits	**736,879**	554,952
Prepayments	**1,124,733**	1,657,721
Staff advances	**8,534**	1,340
Supplier advances	**27,866**	1,807,006
VAT refundable	**677,949**	356,990
	22,306,915	20,953,756

As at 31 December 2024, the ageing of unimpaired trade receivables is as follows:

	Total	**< 30 days**	**31-90 days**	**91-180 days**	**> 180 days**
	AED	**AED**	**AED**	**AED**	**AED**
2024	**19,730,954**	**15,533,812**	**2,257,605**	**584,894**	**1,354,643**

Unimpaired receivables are expected, on the basis of past experience, to be fully recoverable as a result provision for expected credit loss (ECL) has not been made.

10 Cash and bank balances

	2024	2023
	AED	AED
Cash in hand	**72,141**	112,928
Cash at banks	**9,413,398**	5,444,058
	9,485,539	5,556,986

11 Fixed deposits

	2024	2023
	AED	AED
Fixed deposits with banks	**500,000**	7,223,091

12 Share capital

The share capital of the Establishment comprise of 74 shares of AED 150,000 each:

Name of shareholder	%	No. of shares	**2024**	2023
			AED	AED
M/S. Time Technoplast Limited	100	74	**11,100,000**	11,100,000

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13 Employees' end of service benefits

	2024 AED	2023 AED
Balance at the beginning of the year	**1,134,890**	946,946
Provision made for the year	**288,213**	279,413
Paid during the year	**(160,261)**	(91,469)
Balance at the end of the year	**1,262,842**	1,134,890

14 Trade and other payables

	2024 AED	2023 AED
Trade payables	**4,378,164**	8,646,964
Other payables	**168,430**	589,947
Refundable deposits	**25,000**	35,000
Accured expenses	**915,498**	349,031
Advances from customers	-	43,785
	5,487,092	9,664,727

15 Borrowings

	2024 AED	2023 AED
Vehicles loans	**145,658**	68,926
	145,658	68,926
Less: Non-current portion of borrowings	**(88,951)**	(17,517)
Current portion of borrowings	**56,707**	51,409
Trust receipts	-	459,772
Bank overdraft	-	4,439,133
Total current portion of borrowings shown under current liabilities	**56,707**	4,950,314

16 Revenue

	2024 AED	2023 AED
Type of activity:		
General trading and manufacturing of plastic products	**82,652,388**	79,828,897
Timing of revenue recognition:		
Goods transferred - at a point in time	**82,652,388**	79,828,897
Customer relationship:		
Third party customers	**74,620,804**	74,706,673
Related party customers	**8,031,584**	5,122,224
	82,652,388	79,828,897
Geographical markets:		
Within U.A.E	**72,190,052**	60,387,922
Outside of U.A.E	**10,462,337**	19,440,975
	82,652,388	79,828,897

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17 Cost of revenue

	2024 AED	2023 AED
Opening inventory	**13,356,291**	17,893,861
Purchases	**46,759,717**	58,536,675
Less: Closing inventory	**(13,465,773)**	(13,356,291)
	46,650,235	63,074,245
Direct expenses	**12,650,148**	-
Depreciation	**3,551,202**	3,220,214
	62,851,585	66,294,459

18 General and administrative expenses

	2024 AED	2023 AED
Salaries and related benefits	**2,866,503**	2,654,169
Legal, license, visa and professional fees	**2,739,243**	2,237,735
Rent*	**113,945**	108,519
Depreciation	**232,874**	211,169
Custom duty and clearing account	**154,290**	-
Communication and utilities	**142,334**	141,054
Repair and maintenance	**153,076**	248,293
Cost and freight charges - import	**165,844**	-
Insurance	**162,321**	158,739
Travelling	**130,000**	218,525
Office expense	**18,863**	16,326
Printing and stationary	**37,126**	47,754
Loss on disposal of propety and equipment	**45,209**	-
Write off	**586,136**	48,343
Other expenses	**65,363**	26,386
	7,613,127	6,117,012

* The Establishment has elected not to recognize right-to-use assets and corresponding liabilities for short term leases and all the Establishment's leases are short term.

19 Income tax expense

The company operates in a UAE Free Zone and qualifies as a Qualified Free Zone Person (QFZP) under the UAE Corporate Tax regime. As per the applicable regulations, the company's Qualifying Income is subject to a 0% corporate tax rate.

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20 Financial assets and liabilities

The financial assets of the Establishment comprise loan to related parties, trade and other receivables, due from related parties, fixed deposits, and cash and bank balances. The financial liabilities of the Establishment include due to related parties, borrowings, trade and other payables, and income tax payable. The accounting policies for financial assets and liabilities are set out in note 3.

The following table summarises the carrying amount of financial assets and financial liabilities recorded at the reporting date:

	2024	2023
	AED	AED
Financial assets:		
Financial assets at amortised cost	**74,776,855**	79,094,551
Financial liabilities:		
Financial liabilities at amortised cost:		
- Other financial liabilities	**22,954,883**	40,331,021

21 Financial risk management

The Establishment has exposure to the following risks from its use of financial instruments:

(a) Market risk;
(b) Credit risk; and
(c) Liquidity risk

(a) Market risk

Market risk is the risk that the fair value of the financial instrument may fluctuate as a result of a change in market interest rates or the market price due to changes in the credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The Establishment incurs financial liabilities to manage their market risk.

The Establishment is exposed to the following market risk:

(i) Interest rate risk;
(ii) Currency risk; and
(iii) Price risk.

The Establishment's exposure to the above risks are described below:

(i) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Establishment's interest rate exposure mainly concerns financial liabilities. The Establishment is not exposed to any significant interest rate risk as the Establishment's interest bearing loans carry fixed interest rate.

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21 Financial risk management *(continued)*

(a) Market risk *(continued)*

(ii) Currency risk:

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions of receivables and payables that exist due to transactions in foreign currencies.

Exposure to currency risk

The Establishment's financial assets and liabilities denominated in respective currencies are as follow:

	2024	2023
	AED	AED
Total assets:		
Bank balance in USD	**758,651**	1,227,473

Management closely monitors exchange rate risk in respect of foreign currency exposures.

The table below indicates the Establishment's foreign currency exposure at 31 December 2024, as a result of its financial assets and liabilities. The analysis calculates the effect of a reasonably possible movement of the AED currency rate against other currencies, with all other variables held constant, on the statement of comprehensive income.

31 December 2024	**Effect of increase/ decrease in respective currency rates against the AED on the results**	
	+5%	**-5%**
Bank balance in USD	**796,584**	**720,718**

31 December 2023	Effect of increase/ decrease in respective currency rates against the AED on the results	
	+5%	-5%
Bank balance in USD	1,288,847	1,166,100

(iii) Price risk:

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market prices (other than those arising from interest rate risk and currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factor affecting all similar financial instruments traded in the market.

At the reporting date, the Establishment is not exposed to price risk due to the fact it does not hold any financial instrument which falls under this category.

(b) Credit risk

Credit risk is the risk of financial loss to the Establishment if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from trade receivables and bank balances. The carrying amount of the financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

21 Financial risk management *(continued)*

(b) Credit risk *(continued)*

	2024	2023
	AED	AED
Trade receivables	**19,730,954**	16,575,747
Refundable deposits	**736,879**	554,952
Staff advances	**8,534**	1,340
VAT refundable	**677,949**	356,990
Loans to related parties	**42,109,447**	48,556,945
Due to related parties	**2,205,502**	625,490
Bank balances	**9,413,398**	5,444,058
	74,882,663	72,115,522

Bank balances:
The Establishment seeks to limit its credit risk with respect to banks by only dealing with reputable banks only.

Trade receivables:
The Establishment monitors outstanding receivables to assess recoverability and establish appropriate allowances for amounts considered doubtful.

Amount due from a related party:
The management of the Establishment is directly involved in the transactions with related parties and reviews, approves and maintains the transactions with the related parties with minimal credit risk.

(c) Liquidity risk

Liquidity risk is the risk that the Establishment will encounter difficulty in meeting obligations from its financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding.

The Establishment's objective is to maintain a balance between continuity of funding and flexibility through efficient cash management. The Establishment limits its liquidity risk by aligning the terms of trade payables with the terms of collection from customers. Further, the shareholder's ensure adequate funds are available as and when required.

The following table summarise the maturity profile of financial liabilities based on the remaining period at the end of reporting date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows:

	Carrying amount	**Contractual cash flows**	**Less than 1 year**	**More than 1 year**
	AED	**AED**	**AED**	**AED**
As at 31 December 2024				
Trade and other payables	**5,487,092**	**5,487,092**	**5,487,092**	**-**
Due to related parties	**17,411,084**	**17,411,084**	**17,411,084**	**-**
Borrowings	**145,658**	**145,658**	**56,707**	**88,951**
	22,898,176	**22,898,176**	**22,898,176**	**-**

21 Financial risk management *(continued)*

(c) Liquidity risk *(continued)*

	Carrying amount	Contractual cash flows	Less than 1 year	More than 1 year
	AED	AED	AED	AED
As at 31 December 2023				
Trade and other payables	9,664,727	9,664,727	9,664,727	-
Borrowings	4,967,831	4,967,831	4,950,314	17,517
	14,632,558	14,632,558	14,615,041	17,517

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significant different amounts.

Capital management

The primary objective of the Establishment's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder's value. The Establishment manages its capital structure and makes adjustments to it in light of changes in business conditions. No changes were made in the objectives, policies or processes during the current and previous years.

Equity comprise of share capital, retained earnings and shareholder's current account, and is measured at AED 98,212,022 as at 31 December 2024 (2023: AED 88,037,447).

22 Fair value of financial instruments

Financial instruments comprise financial assets and financial liabilities. The financial assets of the Establishment comprise loan to related parties, trade and other receivables, due from related parties, fixed deposits, and cash and bank balances. The financial liabilities of the Establishment include due to related parties, borrowings, trade and other payables, and income tax payable.

The fair values of financial assets and financial liabilities of the Establishment at the reporting date are not materially different from their carrying values largely due to the nature and short-term maturities of financial instruments.

23 Contingent liabilities and commitments

Except for the ongoing obligations which are under normal course of business, there has been no other known contingent liability or commitment on the Establishment's financial statements as of reporting date.

24 Events after the reporting period

In the opinion of the management, 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 approval of these financial statements, that is likely to affect, substantially the result of the operations or the financial position of the Establishment.

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25 Going concern

These financial statements have been prepared on the going concern basis. While preparing the financial statements, the management has made an assessment of the Establishment'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 Establishment's ability to continue as a going concern.

26 Approval of these financial statements

These financial statements have been approved on 15 May 2025.

27 General

Rounding off

Figures have been rounded off to the nearest AED unless otherwise stated.

Corresponding figures

Corresponding figures have been reclassified and rearranged, wherever necessary for better presentation.