Ghitha Holding PJSC

(formerly "Zee Store PJSC")

DIRECTORS' REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2022

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DIRECTORS' REPORT

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The Directors have the pleasure to present their report, together with the audited consolidated financial statements of Ghitha Holding PJSC (formerly "Zee Store PJSC") (the "Company") and its subsidiaries (together referred to as the "Group") for the year ended 31 December 2022.

Principal activities

The principal activities of the Group include;

- management services and investing in diversified projects;
- trading and importing of food items, including fresh consumables, canned, preserved and frozen foods and providing re-packaging and wrapping services;
- providing food catering services, including meal preparation;
- rearing, hatching, feed processing and sale of poultry products and providing other farming and livestock related services;
- manufacturing and refining of vegetable oils, manufacturing of basic organic chemical acid, plastic bottles and similar containers and plastic closures articles;
- clinkers and hydraulic cements manufacturing, wholesale of cement products trading and industrial, commercial and agricultural enterprises investment, institution and management;
- camps and labor accommodation management; and
- facilities management services, sale and rental of tents and shades, tailoring producing tents pavilions, organizing events and providing interior design work.

Results

Revenue for the year amounted to AED 2,278,565,678 (2021: AED 545,620,999) and profit for the year was AED 332,502,285 (2021: AED 59,710,610).

Release

The Directors release from liability the management and the external auditor in connection with their duties for the year ended 31 December 2022.

Auditors

A resolution proposing the reappointment of Ernst & Young as auditors of the Group for the year ending 31 December 2023 will be put to the shareholders at Annual General Meeting.

For and on behalf of the Board of Directors

Chairman

Date 06/02/2023

Ghitha Holding PJSC

(formerly "Zee Store PJSC")

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2022

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF GHITHA HOLDING PJSC (FORMERLY "ZEE STORE PJSC")

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Ghitha Holding PJSC (formerly "Zee Store PJSC") (the "Company") and its subsidiaries (together referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of profit or loss, the consolidated statement of 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 significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2022 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

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 Code of Ethics for Professional Accountants (including International Independence Standards)* (the "IESBA Code") together with the ethical requirements that are relevant to our audit of the consolidated 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.

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 period. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF GHITHA HOLDING PJSC (FORMERLY "ZEE STORE PJSC")
continued

Report on the Audit of the Consolidated Financial Statements continued

Revenue recognition
Revenue recognition is considered to be a key area of focus given there are multiple revenue streams associated with the Group which come from various decentralized operational locations. In addition, there are a number of different IT systems and applications in place for the recording of revenue transactions. The Group has a variety of customer contracts and revenue arrangements that require careful consideration and judgement to determine the appropriate revenue recognition. Further, revenue is also a key performance indicator for the Group's performance. During the year ended 31 December 2022, total revenue of the Group amounted to AED 2,278,565,678 (202: AED 545,620,999) (note 7).

We reviewed the revenue recognition policies applied by the Group to assess their compliance with IFRS requirements. For each material operational location with significant revenue streams, we obtained, or involved component auditors to obtain understanding of the design and operating effectiveness of the controls relating to the revenue recognition process, and to perform substantive audit procedures which included overall analytical procedures, at the Group and subsidiary level, and testing on transactions throughout the year, to assess whether revenues were properly recognised.

Business combination of entities under common control
During the year, the Group acquired control over entities under common control as disclosed in note 6.1. The acquisitions were excluded from the scope of IFRS 3, as these represented business combination of entities under common control, given that the Company and the acquired entities are controlled by the same ultimate shareholder before and after the acquisitions. This has been identified as a key audit matter as it significantly affects the composition of the Group's businesses and its financial position and performance. The acquisitions have been accounted for in the consolidated financial statements using the pooling of interest method, which reflects the economic substance of the transaction and have resulted in a merger reserve of AED 1,225,192,058 during 2022.

We held discussions with the Group's management and those charged with governance to obtain an understanding of the transaction details. We also obtained and reviewed the share purchase agreements and assessed if the acquisitions fulfilled the requirements of business combination under common control by inspecting evidence of ownership and reviewing the ownership structures before and after the acquisitions, and determining the appropriateness of the amounts recognised as merger reserve in the consolidated statement of changes in equity. Additionally, we assessed if the pooling of interest method was consistently applied in accordance with the Group's accounting policy.

Other information
Other information consists of the information included in the Directors' report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Report on the Audit of the Consolidated Financial Statements continued

Other information conitnued
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, 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 the consolidated financial statements in accordance with IFRSs and in compliance with the applicable provisions of the Memorandum of Association of the Company and the UAE Federal Law No. (32) of 2021, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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 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 ISA 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 consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than 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.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF GHITHA HOLDING PJSC (FORMERLY "ZEE STORE PJSC")
continued

Report on the Audit of the Consolidated Financial Statements continued

Auditor's responsibilities for the audit of the consolidated financial statements continued

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that 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 the Board of Directors 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, action 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

TO THE SHAREHOLDERS OF GHITHA HOLDING PJSC (FORMERLY "ZEE STORE PJSC")
continued

Report on Other Legal and Regulatory Requirements

Further, as required by the UAE Federal Law No. (32) of 2021, we report that for the year ended 31 December 2022:

i) the Group has maintained proper books of account;

ii) we have obtained all the information and explanations we considered necessary for the purposes of our audit;

iii) 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, and the Memorandum of Association of the Company;

iv) the financial information included in the Directors' report is consistent with the books of account of the Group;

v) investments in shares and stocks are included in notes 16 and 18 to the consolidated financial statements and include the purchases and investments made by the Group during the year ended 31 December 2022;

vi) note 29 reflects material related party transactions and the terms under which they were conducted;

vii) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Company has contravened during the period any of the applicable provisions of the UAE Federal Law No. (32) of 2021 or of its Memorandum of Association which would materially affect its activities or its financial position as at 31 December 2022; and

viii) during the year, the Group made no social contributions.

Signed by:
Raed Ahmad
Partner
Ernst & Young
Registration No 811

6 February 2023
Abu Dhabi

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the year ended 31 December 2022

	Notes	*2022* *AED*	*2021* *AED*
Revenue from contracts with customers	7	**2,278,565,678**	545,620,999
Cost of sales	8	**(1,895,243,941)**	(482,488,056)
GROSS PROFIT		**383,321,737**	63,132,943
General and administrative expenses	9	**(192,593,669)**	(34,948,532)
Selling and distribution expenses		**(48,757,786)**	-
Fair value gain on revaluation of previously held equity interest	16	**90,000,000**	-
Share of loss from investment in associates and joint ventures	16	**(21,518,310)**	-
Gain on disposal of an investment in a joint venture	16	**37,379,439**	-
Share of other comprehensive loss of a joint venture reclassified to profit or loss on disposal	16	**(7,077,215)**	-
Increase in fair value of investments carried at fair value through profit or loss	18	**66,999,243**	31,924,776
Other income	11	**37,774,335**	2,254,427
Finance costs	10	**(13,381,694)**	(2,653,004)
Profit before tax		**332,146,080**	59,710,610
Taxation	27	**356,205**	-
PROFIT FOR THE YEAR		**332,502,285**	59,710,610
Attributable to:			
Owners of the Company		**281,717,743**	57,624,878
Non-controlling interests		**50,784,542**	2,085,732
		332,502,285	59,710,610
BASIC EARNINGS PER SHARE	13	**1.44**	0.58

The attached notes 1 to 35 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2022

	Notes	***2022 AED***	*2021 AED*
PROFIT FOR THE YEAR		**332,502,285**	59,710,610
Other comprehensive loss:			
Items that may be reclassified subsequently to profit or loss:			
Foreign exchange difference on translation of foreign Operations (net of tax)		**(69,775,453)**	**-**
Share of other comprehensive loss of a joint venture	16	**(7,077,215)**	**-**
Share of other comprehensive loss of a joint venture reclassified to profit or loss on disposal	16	**7,077,215**	**-**
Items that will not be reclassified subsequently to profit or loss:			
Decrease in fair value of investments at fair value through other comprehensive income	18.1	**(21,414,745)**	-
Total other comprehensive loss		**(91,190,198)**	-
Total comprehensive income for the year		**241,312,087**	59,710,610
Attributable to:			
Owners of the Company		**200,912,840**	57,624,878
Non-controlling interests		**40,399,247**	2,085,732
Total comprehensive income for the year		**241,312,087**	59,710,610

The attached notes 1 to 35 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2022

	Notes	*2022 AED*	*2021 AED*
ASSETS			
Non-current assets			
Property, plant and equipment	14	**1,145,455,727**	517,739,931
Intangible assets and goodwill	15	**408,202,309**	42,563,178
Right-of-use assets	25	**101,942,772**	26,917,842
Investment in associates and a joint venture	16	**614,598,929**	270,498,616
Investments in financial assets	18	**188,717,187**	-
Deferred tax asset	27	**16,768,998**	-
		2,475,685,922	857,719,567
Current assets			
Inventories	19	**204,041,871**	80,147,957
Biological assets	17	**57,640,015**	4,974,217
Investments in financial assets	18	**688,809,736**	82,747,019
Trade and other receivables	20	**1,019,543,100**	158,393,086
Due from related parties	29	**451,057,808**	131,144,869
Cash and bank balances	21	**469,437,620**	173,688,329
		2,890,530,150	631,095,477
TOTAL ASSETS		**5,366,216,072**	1,488,815,044
EQUITY AND LIABILITIES			
Equity			
Share capital	22	**241,600,000**	100,000,000
Contributed capital	22	**37,294,193**	12,294,193
Merger and other reserves		**1,939,277,914**	716,162,699
Statutory reserve	23	**35,663,789**	7,492,015
Cumulative changes on revaluation of investments		**(11,029,450)**	-
Currency translation reserve		**(69,775,453)**	-
Retained earnings		**352,785,728**	99,239,759
Equity attributable to owners of the Company		**2,525,816,721**	935,188,666
Non-controlling interests		**1,271,296,772**	28,141,782
Total equity		**3,797,113,493**	963,330,448
Non-current liabilities			
Employees' end of service benefits	24	**26,784,956**	10,184,753
Lease liabilities	25	**90,287,325**	26,890,723
Bank borrowings	26	**422,437,243**	40,437,243
Deferred tax liabilities	27	**3,793,713**	1,887,875
		543,303,237	79,400,594
Current liabilities			
Trade and other payables	28	**513,238,234**	227,811,541
Due to related parties	29	**152,643,336**	101,622,888
Loans from related parties	29	**205,000,000**	80,000,000
Lease liabilities	25	**5,784,366**	1,884,122
Bank borrowings	26	**149,133,406**	34,765,451
		1,025,799,342	446,084,002
Total liabilities		**1,569,102,579**	525,484,596
TOTAL EQUITY AND LIABILITIES		**5,366,216,072**	1,488,815,044

Chairman **Chief Executive Officer** **Chief Financial Officer**

The attached notes 1 to 35 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2022

	Attributable to equity holders of the Company									
	Share capital AED	*Contributed capital AED*	*Merger and other reserves AED*	*Statutory reserve AED*	*Currency translation reserve AED*	*Cumulative changes on revaluation of investments AED*	*Retained earnings AED*	*Total AED*	*Non-controlling interest AED*	*Total Equity AED*
Balance at 1 January 2021	100,000,000	12,294,193	-	1,729,527	-	-	47,377,369	161,401,089	-	161,401,089
Total comprehensive income for the year	-	-	-	-	-	-	57,624,878	57,624,878	2,085,732	59,710,610
Transfer to statutory reserve (note 23)	-	-	-	5,762,488	-	-	(5,762,488)	-	-	-
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	26,056,050	26,056,050
Business combination of entities under common control (note 6.1)	-	-	716,162,699	-	-	-	-	716,162,699	-	716,162,699
Balance at 31 December 2021	100,000,000	12,294,193	716,162,699	7,492,015	-	-	99,239,759	935,188,666	28,141,782	963,330,448
Balance at 1 January 2022	100,000,000	12,294,193	716,162,699	7,492,015	-	-	99,239,759	935,188,666	28,141,782	963,330,448
Profit for the year	-	-	-	-	-	-	281,717,743	281,717,743	50,784,542	332,502,285
Other comprehensive loss for the year	-	-	-	-	(69,775,453)	(11,029,450)	-	(80,804,903)	(10,385,295)	(91,190,198)
Total comprehensive income for the year	-	-	-	-	(69,775,453)	(11,029,450)	281,717,743	200,912,840	40,399,247	241,312,087
Acquisition of a subsidiary (note 6.2)	-	-	-	-	-	-	-	-	223,733,738	223,733,738
Business combination of entities under common control (note 6.1)	141,600,000	-	1,225,192,058	-	-	-	-	1,366,792,058	980,611,829	2,347,403,887
Waiver of shareholder loan (note 29)	-	25,000,000	-	-	-	-	-	25,000,000	-	25,000,000
Disposal of partial interest in subsidiaries (note 6.4)	-	-	14,226,310	-	-	-	-	14,226,310	(7,892,977)	6,333,333
Acquisition of non-controlling interest (note 6.3)	-	-	(16,303,153)	-	-	-	-	(16,303,153)	6,303,153	(10,000,000)
Transfer to statutory reserve (note 23)	-	-	-	28,171,774	-	-	(28,171,774)	-	-	-
Balance at 31 December 2022	**241,600,000**	**37,294,193**	**1,939,277,914**	**35,663,789**	**(69,775,453)**	**(11,029,450)**	**352,785,728**	**2,525,816,721**	**1,271,296,772**	**3,797,113,493**

The attached notes 1 to 35 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2022

	Notes	*2022* *AED*	*2021* *AED*
OPERATING ACTIVITIES			
Profit before tax		**332,146,080**	59,710,610
Adjustments for:			
Depreciation of property, plant and equipment	14	**62,827,040**	4,300,029
Amortisation of intangible assets	15	**7,927,064**	2,945,237
Depreciation of right-of-use assets	25	**4,294,294**	548,210
Amortisation of biological assets	17	**5,869,275**	-
Gain (loss) on disposal of property and equipment		**22,034**	(102,040)
Changes in fair value of investments carried at fair value through profit or loss	18	**(66,999,243)**	(31,924,776)
Provision for expected credit losses on trade receivables	20	**21,438,796**	944,569
Provision for expected credit losses on amounts due from related parties and bank balances		**2,179,747**	(19,798)
Gain on disposal of investment in a joint venture	16	**(37,379,439)**	-
Share of other comprehensive loss of a joint venture reclassified to profit or loss on disposal	16	**7,077,215**	-
Share of loss from investment in associates and joint ventures	16	**21,518,310**	-
Fair value gain on revaluation of previously held equity interest	16	**(90,000,000)**	-
Gain on cancellation of lease liability	25	**(34,318)**	-
Provision for employees' end of service benefits	24	**5,816,573**	1,136,688
Reversal of provision for slow moving inventories	19	**(79,990)**	-
Fair value gain on biological assets	17	**(20,005,804)**	-
Finance costs	10	**13,381,694**	2,653,004
		269,999,328	40,191,733
Working capital adjustments:			
Inventories		**(9,394,129)**	699,364
Biological assets		**(5,906,772)**	-
Trade and other receivables		**873,480,149**	(23,559,650)
Due from related parties		**(668,751,549)**	12,809,475
Trade and other payables		**(207,938,607)**	22,745,262
Due to related parties		**(84,533,801)**	(2,191,381)
Net cash generated from operations		**166,954,619**	50,694,803
Employees' end of service benefits paid	24	**(2,569,782)**	(148,466)
Finance costs paid		**(7,547,990)**	(1,150,713)
Net cash generated from operating activities		**156,836,847**	49,395,624
INVESTING ACTIVITIES			
Movement in term deposits with original maturities more than three months		**1,612,018**	(2,293,969)
Purchase of property, plant and equipment	14	**(107,503,889)**	(11,939,188)
Addition to intangible assets	15	**(401,220)**	(4,400)
Cash (paid) acquired on business combination of entities under common control, net	6	**(480,084,225)**	70,262,158
Cash acquired (paid) against acquisition of subsidiaries, net	6	**27,943,303**	(34,456,610)
Investment in a joint venture	16	**(3,675,000)**	-
Sale proceeds from disposal of a joint venture	16	**101,000,000**	-
Sale proceeds from disposal of property, plant and equipment		**468,085**	204,427
Proceed from partial disposal of a subsidiary	6	**6,333,333**	-
Proceeds from sale of financial assets carried at fair value through profit or loss	18	**52,714,426**	-
Purchase of financial assets carried at fair value through profit or loss	18	**(24,769,117)**	(50,822,243)
Net cash used in investing activities		**(426,362,286)**	(29,049,825)

CONSOLIDATED STATEMENT OF CASH FLOWS continued
For the year ended 31 December 2022

	Notes	***2022 AED***	*2021 AED*
FINANCING ACTIVITIES			
Repayment of lease liabilities	25	**(4,686,454)**	(622,484)
Net movement in loans from related parties	29	**125,000,000**	-
Drawdowns made during the year	26	**577,580,104**	-
Repayments made during the year	26	**(136,072,976)**	(9,207,414
Net cash generated from (used in) financing activities		**561,820,676**	(9,829,898)
NET INCREASE IN CASH AND CASH EQUIVALENTS DURING THE YEAR		**292,295,237**	10,515,901
Cash and cash equivalents at 1 January		**171,394,360**	160,878,459
Effect of foreign exchange rate changes		**(10,395,287)**	-
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	21	**453,294,310**	171,394,360

The attached notes 1 to 35 form part of these consolidated financial statements.

1 ACTIVITIES

Ghitha Holding PJSC *(formerly "Zee Store PJSC")* (the "Company") is a private joint stock company incorporated under the UAE Federal Law No. (32) of 2021. The registered address of the Company is P.O. Box 53314, Abu Dhabi, United Arab Emirates.

In the annual general assembly held on 7 January 2022, the shareholders approved to change the name of the Company from "Zee Store PJSC" to "Ghitha Holding PJSC".

These consolidated financial statements include the results of operations and financial position of the Company and its subsidiaries (together referred to as the "Group"). The principal activities of the Group are:

- management services and investing in diversified projects;
- trading and importing of food items, including fresh consumables, canned, preserved and frozen foods and providing re-packaging and wrapping services;
- providing food catering services, including meal preparation;
- rearing, hatching, feed processing and sale of poultry products and providing other farming and livestock related services;
- manufacturing and refining of vegetable oils, manufacturing of basic organic chemical acid, plastic bottles and similar containers and plastic closures articles;
- clinkers and hydraulic cements manufacturing, wholesale of cement products trading and industrial, commercial and agricultural enterprises investment, institution and management;
- camps and labor accommodation management; and
- facilities management services, sale and rental of tents and shades, tailoring producing tents pavilions, organizing events and providing interior design work.

IHC Food Holding LLC is the Parent and International Holding Company PJSC is the Ultimate Parent of the Company.

The consolidated financial statements of the Group for the year ended 31 December 2022 were approved and authorised for issue by the Board of Directors on 6 February 2023.

2 BASIS OF PREPARATION

The consolidated financial statements are prepared under the historical cost convention, except for investments in financial assets and biological assets which are stated at fair value.

The consolidated financial statements have been presented in United Arab Emirates Dirhams ("AED"), which is the functional currency of the Company.

Statement of compliance
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and in compliance with the applicable provisions of the Company's Memorandum of Association and applicable requirements of the laws of the United Arab Emirates.

2 BASIS OF PREPARATION continued

2.1 Basis for consolidation

The consolidated financial statements of the Group comprise the financial information of the Company and its subsidiaries.

Control is achieved when the Group:

- 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 size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

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 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 Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. When the Group loses control of a subsidiary, a gain or loss is recognised in of profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

2 BASIS OF PREPARATION continued

2.1 Basis for consolidation continued

Details of the Company's subsidiaries as at 31 December 2022 and 31 December 2021 were as follows:

Name of subsidiary	*Place of incorporation and operation*	*Principal activities*	*Proportion of ownership interest and voting power held* 2022	2021
Zee Stores International LLC	UAE	Wholesale of food and non-food items, including fresh consumables, canned, preserved and frozen foods and providing re-packaging and wrapping services.	**100%**	100%
Mega Logistics Park Warehouses Management - Sole Proprietorship LLC	UAE	Warehouses management and operations.	**100%**	100%
Tamween Group LLC	UAE	Holding Company.	**100%**	100%
Tamween Companies Management LLC (i)	UAE	Holding Company.	**100%**	-
Green Park Investment – Sole Proprietorship LLC (i)	UAE	Commercial enterprises investment, institution and management	**100%**	-
Subsidiary of Zee Stores International LLC:				
Royal Horizon Holding LLC	UAE	Holding Company.	**60%**	60%
Subsidiaries of Royal Horizon Holding LLC:				
Overseas Foodstuff Trading – Sole Proprietorship LLC	UAE	Importing and wholesale of canned and preserved foodstuff trading.	**100%**	100%
Royal Horizon General Trading – Sole Proprietorship LLC	UAE	General trading, retail sale of computer system and software, wholesale of canned and preserved foodstuff trading, importing and exporting, packaging and wrapping of foodstuff.	**100%**	100%
Royal Horizon Fazaa Stores LLC	UAE	Retail and wholesale consumer stores.	**100%**	100%
Al Ufuq Almalaki General Trading - Sole Proprietorship LLC	UAE	General trading, importing, exporting, retail sale of wood products.	**100%**	100%
Subsidiaries of Tamween Group LLC:				
Al Ajban Poultry LLC	UAE	Rearing, hatching, feed processing and sale of poultry products.	**100%**	100%
Alliance Foods Co. LLC	UAE	Trading, processing and packing of seafood products.	**100%**	100%
AGRINV SPV RSC	UAE	Investment Company.	**100%**	100%
NRTC Food Holding LLC (i)	UAE	Holding Company	**41%**	-
Subsidiary of AGRINV SPV RSC:				
Al-Hashemiya for Land Reclamation and Cultivation S.A.E.	Egypt	Land cultivation, land-reclaimed farming, raising all kinds of livestock and sheep produced and providing other farming and livestock related services.	**99.99%**	99.99%
Subsidiaries of N.R.T.C Food Holding LLC:				
N.R.T.C Dubai International Vegetables & Fruits Trading LLC	UAE	Fruits & Vegetables, Food & frozen trading	**100%**	-
Nasser Al Refaee Vegetables & Fruits Trading LLC	UAE	Fruits & Vegetables trading, Food and beverage trading, Frozen poultry trading.	**100%**	-

2 BASIS OF PREPARATION continued

2.1 Basis for consolidation continued

Name of subsidiary	*Place of incorporation and operation*	*Principal activities*	*Proportion of ownership interest and voting power held*	
			2022	*2021*
Subsidiaries of N.R.T.C Food Holding LLC: (continued)				
Nasser Al Refaee Potatoes Trading LLC	UAE	Potatoes Trading	**100%**	-
Nasser Al Refaee Fruits & Vegetables & Legumes Canning & Packaging Co. LLC	UAE	Fruits & Vegetables canning and Packaging	**100%**	-
Food Care LLC	UAE	Fruits & Vegetables trading, Food and beverage trading	**100%**	-
Al Rifai Sons Vegetables & Fruits Trading LLC	UAE	Fruits & Vegetables trading, Food and beverage trading	**100%**	-
Wholes Sale Market Fruits & Vegetables Trading LLC	UAE	Retail sale of fruits and vegetables, frozen foodstuff , fresh fish and meat, canned and preserved foodstuff	**100%**	-
N R T C International Fruits & Vegetables Trading LLC	UAE	Retail sale of fruits and vegetables, frozen food, canned fresh meat. Onshore and offshore oil & gas and facilities services.	**100%**	-
NRTC Investment SP LLC	UAE	Commercial Agricultural Enterprises Investment, Institution and Management.	**100%**	-
Mirak Royal Nature Fruit and Vegetable LLC	UAE	Trading of baby foods items, food and beverages, vegetables and fruits.	**100%**	-
Subsidiaries of Tamween Companies Management LLC:				
Apex Investment PSC *(formerly "Ras Al Khaimah Cement Investment Public JSC")*	UAE	Holding Company.	**51.5%**	-
Al Jaraf Fisheries LLC	UAE	Wholesale of fresh fish and Marine animals Trading.	**100%**	-
Abu Dhabi Vegetable Oil Company LLC	UAE	Manufacturing and refining of vegetable oils, manufacturing of basic organic chemical acid, plastic bottles and similar containers and plastic closures articles.	**70%**	-
Subsidiary of Abu Dhabi Vegetable Oil Company LLC:				
Cebag Middle East LLC	UAE	Food and beverage trading.	**98%**	-
Subsidiaries of Apex Investment PSC:				
Apex Holding LLC	UAE	Investment Company.	**100%**	-
Ras Al Khaimah Cement Co. LLC	UAE	Clinkers and hydraulic cement manufacturers and wholesale of cement products trading.	**100%**	-
Apex Alwataniah Catering Service LLC	UAE	Food catering.	**100%**	-
The Central Tents Company – Sole Proprietorship LLC	UAE	Sale and rental of tents.	**100%**	-
R R Facility Management – Sole Proprietorship LLC	UAE	Facilities management services.	**100%**	-
Boudoir Interiors - Sole Proprietorship LLC	UAE	Interior design implementation works.	**100%**	-
Apex National Investment LLC	UAE	Investment, institution and management of enterprises.	**100%**	-

2 BASIS OF PREPARATION continued

2.1 Basis for consolidation continued

Name of subsidiary	*Place of incorporation and operation*	*Principal activities*	*Proportion of ownership interest and voting power held*	
			2022	*2021*
Subsidiaries of Apex Investment PSC: (continued)				
Support Services Catering Company – Sole Proprietorship LLC	UAE	Building cleaning services.	**100%**	-
Apex Companies Management LLC	UAE	Management services of companies and private institutions	**40%**	-
Apex Construction and Development – Sole Proprietorship LLC	UAE	Real estate development and construction.	**100%**	-
Apex Padel Sport – Sole Proprietorship LLC	UAE	Tennis club.	**100%**	-
Apex Alwataniah Logistics – Sole Proprietorship LLC	UAE	Land, marine, air shipment and clearance.	**100%**	-
Apex Agro Investment - Sole Proprietorship LLC	UAE	Agricultural crop trading and investments	**100%**	-
Riva Marine General Marine Services – Sole Proprietorship LLC	UAE	Marine machine and equipment repair and maintenance.	**100%**	-
Subsidiaries of Al Jaraf Fisheries LLC:				
Pristine Caviar – Sole Proprietorship LLC	UAE	Wholesale of fresh fish and Marine animals Trading	**100%**	-
Pristine Fish Farm – Sole Proprietorship LLC	UAE	Land-based Aquaculture	**100%**	-
Pristine Seafood Production LLC	UAE	Fish and seafood processing and preserving	**100%**	-
Emirates Fish Farm - Sole Proprietorship LLC	UAE	Wholesale of fresh fish and Marine animals Trading	**100%**	-

(i) Subsidiaries acquired during the year (note 6).

2.2 CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following new standards, interpretations and amendments effective as of 1 January 2022. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- Reference to the Conceptual Framework – Amendments to IFRS 3
- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16
- Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37
- IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter
- IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities
- IAS 41 Agriculture – Taxation in fair value measurements

These amendments had no significant impact on the consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business combinations and goodwill
Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in general and administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits, respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-based Payment at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the consolidated statement of comprehensive income in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in consolidated statement of comprehensive income.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in consolidated statement of comprehensive income.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Business combinations and goodwill continued
After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Changes in the Group's ownership interest in existing subsidiaries
Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the Owner of the Group.

When the Group loses control of a subsidiary, a gain or loss is recognised in consolidated statement of comprehensive income and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary.

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the initial carrying amount for the purposes of subsequent accounting for the retained interest as an investment in an associate or a joint venture or financial asset.

Disposals of interest in a subsidiary to an equity accounted investee
Gain or loss on the disposal of interest in a subsidiary to an equity accounted investee is eliminated to the extent of the retained indirect interest in that disposed entity by the Group.

Acquisition of entities under common control
Transactions giving rise to a transfer of interest in entities that are under common control are accounted for in accordance with the pooling of interest method of accounting at the date the transfer without restatement of prior periods. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the books of transferor entity. The components of the equity of the acquired entities are added to the merger and other reserve within Group entity. Any transaction costs paid for the acquisition are recognised directly in equity.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Investment in associates and joint ventures
An associate is an entity over which the Group has significant influence that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but has no control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investments in its associate and joint venture are accounted for using the equity method.

The results and assets and liabilities of the associates and joint ventures are incorporated in the consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for under IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The consolidated statement of comprehensive income reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associates and a joint ventures is shown on the face of consolidated statement of comprehensive income outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss within 'Share of profit of an associates and a joint venture's in the consolidated statement of comprehensive income.

When Group's share of losses in an associate or joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Upon loss of significant influence over the joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Revenue recognition
Revenue is measured at an amount that reflects the considerations, to which an entity expects to be entitled in exchange for transferring goods or services to customer, excluding amounts collected on behalf of third parties. Revenue is adjusted for expected discounts and volume discounts, which are estimated based on the historical data or forecast and projections. The Group recognises revenue from contracts with customers based on a five-step model as set out in IFRS 15:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Group 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 Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.
Step 5: Recognise revenue: When (or as) the Group satisfies a performance obligation.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Sale of goods
The Group recognises revenue from sale of food and non-food items at a point in time. For sales of goods to the customers mainly include one performance obligation, revenue is recognised when control of the goods has transferred, being when the goods have been shipped to the customer's specific location (delivery). Following delivery, the customer has full discretion over the manner of use of goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods.

Facility management services
The Group provides specialized facility management, maintenance and operational support services to its customer. Such services are recognised as a performance obligation satisfied over a period in time on a monthly basis under IFRS 15.

Contract revenue
Contract revenue comprises revenue from execution of contracts relating to tents construction project services. The Group recognises revenue from construction project execution services contracts over time as the assets constructed are highly customized for the customers' needs with no alternative use and the Group has right to payment for performance completed to date.

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, and incentive payments, to the extent that it is probable that they will result in revenue, they can be measured reliably and will be approved by the customers. Claims are recognised when negotiations have reached an advanced stage such that it is probable that the customer will accept the claim and the amount can be measured reliably. Contract revenue also includes revenue from securing the award of significant projects for tents construction works. These amounts are recognised when all significant service obligations arising from the related services have been discharged.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Revenue recognition continued
Contract revenue continued
If the outcome of a contract can be estimated reliably, contract revenue is recognised in the consolidated statement of profit or loss in proportion to the stage of completion of the contract. Losses on contracts are assessed on an individual contract basis and a provision is recorded for the full amount of any anticipated losses, including losses relating to future work on a contract, in the period in which the loss is first foreseen.

When the outcome of a contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable; and contract costs should be recognised as an expense in the period in which they are incurred.

A receivable is recognised by the Group when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

Dividend income
Dividend income from investments is recognised in the consolidated statement of profit and loss when the shareholders' rights to receive payment is established.

Interest income
Interest income is recognised as the interest accrues using the effective interest method, under which the rate used exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Property, plant and equipment
Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value.

Depreciation is calculated on a straight-line basis at rates estimated to depreciate the assets concerned over their useful lives in the business as follows:

Building and leasehold improvements	10 - 40 years
Plant and machinery	3 - 60 years
Furniture, fixtures and equipment	2 - 5 years
Motor vehicles	2 - 10 years

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately 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 consolidated statement of comprehensive income as the expense is incurred.

Capital work in progress
Assets under construction ('capital work in progress') are stated at cost, net of accumulated impairment losses, and are not depreciated. All costs directly attribute to bringing the asset to the location and condition necessary for it to be used in the manner intended by management are included in the construction cost, including related staff costs, and for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. When the assets are ready for intended use, the capital work in progress is transferred to the appropriate property, plant and equipment or investment properties category and is depreciated in accordance with the Group's policies.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

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

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

Bearer Plants
Bearer plants are the living plants that;

- are used in the production or supply of agricultural produce,
- are expected to bear produce for more than one period, and
- have a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.

IAS 41 - Agriculture, explicitly excludes the bearer plants from its scope and are accounted for in accordance with IAS 16 - property, plant and equipment. However, produce growing on a bearer plant is still within the scope of IAS 41.

Matured bearer plants are stated at cost less accumulated depreciation and any impairment in value. Immature bearer plants are measured at their accumulated cost. Capitalisation of costs ceases when the bearer plants reach maturity, which is when the bearer plants can be commercially harvested.

Intangible assets
Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in consolidated statement of comprehensive income in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of comprehensive income.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of comprehensive income.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Intangible assets continued
Customer relationships
Customer relationships represents future economic benefits in the form of future business with customers beyond the amount secured by any current contractual arrangement. Customer relationship acquired in a business combination that does not arise from a contract may nevertheless be identifiable because the relationship is separable. These mainly represent non-contractual relationships, which were acquired in business combination (note 6) and meet the criteria for recognition as intangible assets under IAS 38. Customer relationships have a finite useful life and are carried at cost less accumulated amortisation and impairment. Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful lives of 6 to 14 years.

Brand name
Brand is a unique design, sign, symbol, words, or a combination of these, employed in creating an image that identifies a product and differentiates it from its competitors. Brand name represents future economic benefits in the form of future business linked with the brand name of one of subsidiary, Royal Horizon Holding LLC, acquired in prior year (note 6). Brand name has an indefinite useful life.

Trademarks
Trademarks are words, names, symbols or other devices used in trade to indicate the source of a product and to distinguish it from the products of others. Trademarks represent future economic benefits in the form of future business linked with the trademarks under Royal Horizon Holding LLC, a subsidiary acquired in prior year (note 6). The trademarks identified as part of acquisition have indefinite useful lives.

License
The license allows Royal Horizon Holding LLC to use "Fazaa" name for its retail stores, and was recognized on acquisition of Royal Horizon Holding LLC during the year. The Fazaa license has a useful life of 8 years.

Lease benefits
Lease benefits represents the future economic benefits in the form of a favorable lease arrangements the Group acquired under business combination. Lease benefits have a finite useful life and are carried at cost less accumulated amortisation and impairment. Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful lives of 15 years.

Other intangible assets are amortised over a period of 3 years using straight-line method.

Impairment of non-financial assets
The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Impairment of non-financial assets continued
The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the consolidated statement of profit or loss in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill and intangible assets with indefinite useful lives are tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Borrowings
Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognised in the consolidated 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 deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the consolidated statement of profit or loss as other income or finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in the consolidated statement of profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

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 consolidated statements of profit or loss in the period during which they are incurred.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

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

The Group as a lessee
The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets
The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

	Years
Land	25 - 50
Warehouse and buildings	6
Motor vehicle	4 - 5

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the 'impairment of non-financial assets' section below.

ii) Lease liabilities
At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'other expenses' in the consolidated statement of comprehensive income.

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.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Leases continued
ii) Lease liabilities continued
The Group as a lessee continued
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 remeasured 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 remeasured 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 re-measured by discounting the revised lease payments using a revised discount rate.

iii) Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short- term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

The Group enters into lease agreements as a lessor with respect to some of its tents, caravans and shops.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term. Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases.

Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes lease and non-lease components, the Group applies IFRS 15 to allocate consideration under the contract to each component.

Biological assets
Biological assets are measured on initial recognition and at end of each reporting period at fair value less estimated costs to sell, unless at initial recognition that fair value cannot be measured reliably. In such cases, the entity measures the biological asset at historic cost less any accumulated depreciation and any accumulated impairment losses unless/until fair value becomes reliably measurable. The fair values are determined based on current market prices of similar type of assets. Costs to sell include commission to brokers and dealers.

A gain or loss on initial recognition of biological assets at fair value less estimated costs to sell and from a change in fair value less estimated costs to sell of biological assets shall be included in profit or loss in the period in which it arises.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Financial instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets
Initial recognition and measurement
Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:

a) Financial assets at amortised cost (debt instruments, cash and cash equivalents and trade receivables)
b) Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
c) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
d) Financial assets at fair value through profit or loss

The Group has the following financial assets:

Financial assets at amortised cost
The Group measures financial assets at amortised cost if both of the following conditions are met:

a) The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
b) 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 assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in the consolidated statement of comprehensive income when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost include trade receivable, unbilled receivable and other receivables, due from related parties, loan from a related party and cash and bank balances.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in the consolidated statement of comprehensive income.

This category includes quoted equity investments which the Group had not irrevocably elected to classify at fair value through OCI.

Dividends on quoted and unquoted equity investments are recognised under investment and other income in the consolidated statement of comprehensive income when the right of payment has been established.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Financial instruments continued
Financial assets continued
Financial assets designated at fair value through OCI (equity instruments)
Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32: Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by- instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the consolidated statement of comprehensive income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Impairment of financial assets
The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Group 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:
  - the Group has transferred substantially all the risks and rewards of the asset, or
  - the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Financial instruments continued
Financial assets continued
Derecognition continued
When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial liabilities and equity instruments
Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities are added to or deducted from the fair value of the financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial liabilities at fair value through consolidated statement of comprehensive income are recognised immediately in consolidated statement of comprehensive income.

Classification as debt or equity
Debt and equity instruments issued by a Group 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.

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 consolidated statement of comprehensive income on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Financial liabilities
Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense is charged to consolidated statement of comprehensive income.

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 net carrying amount on initial recognition.

The financial liabilities of Group include lease liabilities, trade and other payables, loan from a related party, loans and borrowings and due to related parties**.**

Derecognition
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 on 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 consolidated statement of comprehensive income.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

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

Inventories
Fish and fish products
Finished fish and fish products are stated at lower of cost or net realisable value, cost is determined using the first-in, first-out

(FIFO) basis. Cost includes purchase cost, freight, insurance and other related expenses incurred in bringing the goods to their present condition and location. Net realisable value is based on the normal selling price, less cost expected to be incurred in marketing, selling and distribution. Allowance is made when necessary for obsolete, slow-moving and damaged items.

Poultry products
Boiler chicken, hatching eggs and finished goods are stated at lower of cost and net realisable value. Cost is calculated using the weighted average cost method. The cost comprises of a proportion of the cost of the egg produced by the parent chicken or purchased, and feed, vaccine medicines consumed by the flock, slaughtering expenses and packing charges.

Packing, raw materials, food and non-food items, other finished goods and spares and consumables
Inventories are stated at the lower of cost and net realisable value after adjusting allowance for any slow and non-moving items. Inventories are valued on the weighted average principle, and includes expenditure incurred in acquiring the inventories, production, or conversion costs, and other costs incurred in bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated selling expenses.

Deferred revenue
Deferred revenue represents advance rentals received for tents, caravans and shops rented out by the Group during the year and are recognised on a time apportionment basis

Cash and cash equivalents
For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and deposits held with banks with the original maturity of three months or less, net of bank overdrafts.

Foreign currencies
The Group's consolidated financial statements are presented in AED, which is also the Company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to consolidated statement of profit or loss reflects the amount that arises from using this method.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Foreign currencies continued

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognised in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

Foreign operations

On consolidation, the assets and liabilities of foreign operations are translated into AED at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Employee benefits

An accrual is made for estimated liability for employees' entitlement to annual leave and leave passage as a result of services rendered by eligible employees up to the end of the reporting period.

Provision is also made for the full amount of end of service benefits due to employees in accordance with the Group's policy, which is at least equal to the benefits payable in accordance with UAE Labour Law, for their period of service up to the end of the reporting period. The accrual relating to annual leave and leave passage is classified as a current liability, while the provision relating to end of service benefits is classified as a non-current liability.

Pension contributions are made in respect of UAE national employees to the UAE General Pension and Social Security Authority in accordance with the UAE Federal Law No. (2), 2000 for Pension and Social Security.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

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. Where 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 some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the 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.

Contingencies
Contingent liabilities are not recognized in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

Taxation
Current income tax
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the consolidated statement of comprehensive income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax
Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Taxation continued
Deferred tax continued
Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Fair value measurement
The Group measures financial instruments such as financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss at fair value at each consolidated statement of financial position date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Fair value measurement continued
The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on the basis as explained above, 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 fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

Value added tax (“VAT”)
Expenses and assets are recognised net of the amount of VAT, except:

- When the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the VAT 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 VAT included. The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

Dividend
The Group recognises a liability to pay a dividend when the distribution is authorised and the distribution is no longer at the discretion of the Group. A distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Current versus non-current classification
The Group presents assets and liabilities in consolidated statement of financial position based on current/non-current classification. An asset 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 realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is 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 period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated 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 contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

While applying the accounting policies as stated in note 3, management of the Group has made certain judgments, estimates and assumptions 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. Revision to accounting estimates are recognised in the period of the revision 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 judgments and estimate made by management are summarised as follows:

Key sources of estimation of uncertainty
The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Useful lives of property, plant and equipment and intangible assets
The useful life of each item of property, plant and equipment and intangible assets is estimated based on the period over which the asset is expected to be available for use. Such estimation is based on a collective assessment of industry practice, internal technical evaluation and experience with similar assets. The estimated useful life of each asset is reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the asset.

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS continued

Key estimates and assumptions continued

Impairment of non-financial assets

The Group determines whether property, plant and equipment, right-of-use assets, and intangible assets with finite lives as well as investments in joint ventures and associates are impaired when events or changes in circumstances indicate that the carrying amount may not be recoverable. If an indicator of impairment exists, the Group determines the value in use of the cash generating units, where an indicator has been identified. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash generating units and also choose a suitable discount rate in order to calculate the present value of those cash flows.

Management has determined no impairment indicators existed as of 31 December 2022 and the carrying values of property, plant and equipment, right-of-use assets, and intangible assets with finite lives are fully recoverable.

Impairment of goodwill and intangible assets with infinite useful lives

Goodwill and intangible assets with infinite useful lives are assessed for impairment based on the assessment of cash flows on individual cash-generating units on annual basis. Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Management has concluded that there is no impairment as of 31 December 2022 and the carrying values of goodwill and intangible assets with infinite useful lives are fully recoverable.

Business combinations

Accounting for the acquisition of a business requires the allocation of the purchase price to the various assets and liabilities of the acquired business. For most assets and liabilities, the purchase price allocation is accomplished by recording the asset or liability at its estimated fair value. Determining the fair value of assets acquired and liabilities assumed requires judgment by management and often involves the use of significant estimates and assumptions, including assumptions with respect to future cash inflows and outflows, discount rates, the useful lives of assets and market multiples. The Group's management uses all available information to make these fair value determinations.

Estimation of net realisable value for inventories and allowance for slow moving inventories

Inventories are held at the lower of cost and net realisable value. When inventories become old or obsolete, an estimate is made of their net realisable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and allowance for impairment applied according to the inventory type and the degree of ageing or obsolescence, based on Group's policy for inventory provisioning.

Provision for slow moving inventories of AED 7,778,562 were recorded as at 31 December 2022 (31 December 2021: AED 2,239,387).

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS continued

Key estimates and assumptions continued
Provision for Expected Credit Losses (ECLs) for trade receivables
The Group 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 (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. 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 Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

In determining whether provision for expected credit losses should be recorded in the consolidated statement of comprehensive income, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. As per ECL model, the impairment loss allowance for trade receivables at 31 December 2022 AED 66,830,152 is AED (2021: AED 14,768,581).

Leases - estimating the incremental borrowing rate
Where the Group cannot readily determine the interest rate implicit in the lease, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Calculation of the quantity of inventory and biological assets
The calculation of closing stock quantities of certain raw materials, clinker and finished cement and fish livestock requires the use of estimates. At the end of each reporting period, management appoints a surveyor to determine the volume of the inventory which is used by management, using a formula by reference to the inventory's estimated density, to arrive to the closing quantity.

Fair value measurement of financial instruments
When the fair values of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. See Note 34 for further disclosures.

Critical accounting judgments in applying accounting policies
In the process of applying the Group's accounting policies, which are described in note 3, management has made the following judgments that have the most significant effect on the amounts recognised in the consolidated financial statements

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS continued

Critical accounting judgments in applying accounting policies continued
Determining the lease term of contracts with renewal options
The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

Consolidation of entities in which the Group holds less than a majority of voting right (de facto control)
For assessing control, the Group has considered power over 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. In case, where the Group has less than majority of the voting or similar rights in an investee, the Group has considered all relevant facts and circumstances in assessing whether it has power over an investee. The Group obtained control of NRTC Food Holding LLC ("NRTC") and classified it as a subsidiary of the Group, notwithstanding its ownership of less than half of the outstanding share capital. The Group determined that it controls NRTC based on the following criteria:

a) the Group has appointed three out of the total five members of NRTC's board ("Board") with effect from 1 October 2022 and such appointment is contractual as per the amended shareholders' agreement dated 1 October 2022;
b) resolutions of the Board and therefore decisions, are issued based on a simple majority, thus giving the Group outright control over decision making by the Board; and
c) the Board is fully empowered to manage and carry out all acts and transactions on behalf of the entity, including supervision of NRTC's business affairs, ensuring the effectiveness of governance, overseeing management, as well as appointing and removing NRTC's senior management.

In making this judgement, the Group considered the absolute size of its holding in NRTC, the existing shareholders' agreement and the ability of other shareholders to limit its nominations to the Board, and the Group's majority representation on the Board. Therefore, based on the above factors, the Group has clearly established that it has defacto control over NRTC, as evidenced by its ability to control a majority of the Board and accordingly its results have been included in these consolidated financial statements.

5 STANDARDS ISSUED BUT NOT EFFECTIVE

New and amended standards and interpretations
The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

- IFRS 17 Insurance Contracts
- Classification of Liabilities as Current or Non-current – Amendments to IAS 1
- Definition of Accounting Estimates – Amendments to IAS 8
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

The Group does not expect that the adoption of these new and amended standards and interpretations will have a material impact on its consolidated financial statements.

6 BUSINESS COMBINATIONS

6.1 Business combination under common control

During the year ended 31 December 2022 and 2021, the Group acquired the following entities under common control. These acquisitions are excluded from the scope of International Financial Reporting Standard 3 (IFRS 3) "Business Combinations" as these are business combination of entities under common control, given that the Group and the acquired entities are ultimately controlled by the same party before and after the acquisition. The acquisitions have been accounted for in the consolidated financial statements using the pooling of interest method, which reflects the economic substance of the transaction. The Group has elected to consolidate the income, expenses, assets and liabilities of acquired entities from the date of acquisition.

6.1 (a) Acquisitions during the year

Tamween Companies Management LLC (“TCM”)

Effective 30 April 2022, the Group acquired 100% interest in Tamween Companies Management LLC and its subsidiaries ("TCM") by issuing 141,600,000 new shares at a par value of AED 1 per share. TCM is a limited liability company, registered and incorporated in Abu Dhabi, United Arab Emirates and is engaged in the business of management services and investing in diversified projects. The subsidiaries of TCM and the ownership interests are as follows:

Name of entities	*Place of incorporation and operation*	*Principal activities*	*Ownership interest*
Apex Investment PSC *(formerly “Ras Al Khaimah Cement Investment Public J.S.C”)* and its subsidiaries	United Arab Emirates	Clinkers and hydraulic cements manufacturing, wholesale of cement products trading and industrial, commercial and agricultural enterprises investment, institution and management, providing food catering, ready-made food catering contracts (meal preparation), camps and labor accommodation management, facilities management services, onshore and offshore oil and gas fields and facilities services, sale and rental of tents and shades, tailoring producing tents pavilions, organizing parties and events and providing interior design work	**51.5%**
Mirak Royal Nature Fruit and vegetable LLC	United Arab Emirates	Trading of baby foods items, food and beverages, vegetables and fruits	**80%**
Al Jaraf Fisheries LLC and its subsidiaries	United Arab Emirates	Retail sale of fresh fish and marine animals	**100%**
Abu Dhabi Vegetable Oil Company LLC and its subsidiary	United Arab Emirates	Manufacturing and refining of vegetable oils, manufacturing of basic organic chemical acid, plastic bottles and similar containers and plastic closures articles	**75%**

From the date of acquisition, TCM contributed revenue and profit to the Group amounting to AED 901,517,357 and AED 73,249,775, respectively. If the acquisition had taken place at the beginning of the year, TCM would have contributed revenue and profit to the Group amounting to AED 1,346,524,177 and AED 181,146,266 respectively.

Green Park Investment – Sole Proprietorship LLC (“Green Park”)

Effective 06 December 2022, the Group acquired 100% interest in Green Park Investment – Sole Proprietorship LLC for a consideration of AED 531,700,000. Green Park is a limited liability company, registered and incorporated in Abu Dhabi, United Arab Emirates and is engaged in the business of management services and investing in diversified projects. From the date of acquisition, Green Park contributed profit to the Group amounting to AED 978,426. If the acquisition had taken place at the beginning of the year, Green Park would have contributed profit to the Group amounting to AED 43,743,533.

6 BUSINESS COMBINATIONS continued

6.1 Business combination under common control continued

6.1 (a) Acquisitions during the year continued

Assets acquired and liabilities assumed
The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below.

	TCM AED	*Green Park AED*	*Total AED*
Assets			
Property, plant and equipment	**639,306,189**	**-**	**639,306,189**
Intangible assets and goodwill	**14,754,605**	**-**	**14,754,605**
Right-of-use assets	**35,309,897**	**-**	**35,309,897**
Investment in associates	**34,929,208**	**574,745,410**	**609,674,618**
Investments in financial assets	**783,305,715**	**-**	**783,305,715**
Biological assets	**31,352,679**	**-**	**31,352,679**
Inventories	**110,540,918**	**-**	**110,540,918**
Due from related parties	**221,672,893**	**150,000**	**221,822,893**
Trade and other receivables	**1,008,978,977**	**-**	**1,008,978,977**
Cash and bank balances	**51,615,775**	**-**	**51,615,775**
Total assets	**2,931,766,856**	**574,895,410**	**3,506,662,266**
Liabilities			
Employees' end of service benefits	**10,724,418**	**-**	**10,724,418**
Bank borrowings	**39,399,468**	**-**	**39,399,468**
Lease liabilities	**39,103,367**	**-**	**39,103,367**
Loan from a related party	**25,000,000**	**-**	**25,000,000**
Due to related parties	**125,554,249**	**-**	**125,554,249**
Trade and other payables	**387,776,877**	**-**	**387,776,877**
Total liabilities	**627,558,379**	**-**	**627,558,379**
Net assets	**2,304,208,477**	**574,895,410**	**2,879,103,887**
Less: Non-controlling interests	**(980,611,829)**	**-**	**(980,611,829)**
Proportionate share of identifiable net assets acquired	**1,323,596,648**	**574,895,410**	**1,898,492,058**
Share capital issued (note 22)	**(141,600,000)**	**-**	**(141,600,000)**
Cash paid for acquisition	**-**	**(531,700,000)**	**(531,700,000)**
Merger reserve	**1,181,996,648**	**43,195,410**	**1,225,192,058**

6 BUSINESS COMBINATIONS continued

6.1 Business combination under common control continued

6.1 (b) Acquisitions during the prior year

Tamween Group LLC ("Tamween")
Effective 27 December 2021, the Group acquired 100% of the shares in Tamween Group LLC and its subsidiaries ("Tamween") for AED 2. Tamween is a limited liability company, registered and incorporated in Abu Dhabi, United Arab Emirates and is engaged in the business of management services and investing in diversified projects. The subsidiaries of Tamween and the ownership interests are as follows:

Name of entities	*Place of incorporation and operation*	*Principal activities*	*Ownership interest*
Al Ajban Poultry LLC	United Arab Emirates	Rearing, hatching, feed processing and sale of poultry products	**100%**
Alliance Foods Co. LLC	United Arab Emirates	Trading, processing and packing of seafood products	**100%**
AGRINV SPV RSC and its subsidiary	United Arab Emirates	Investment Company	**100%**

Assets acquired and liabilities assumed
The carrying values of the identifiable assets and liabilities of Tamween and its subsidiaries as at the date of acquisition were as follows:

	Tamween AED
Assets	
Property, plant and equipment	**478,487,709**
Intangible assets	**1,955,246**
Right-of-use assets	**12,780,088**
Investment in an associate and a joint venture	**270,498,616**
Biological assets	**4,974,217**
Inventories	**54,494,990**
Due from related parties	**33,440,810**
Trade and other receivables	**108,566,477**
Cash and bank balances	**70,262,160**
Total assets	**1,035,460,313**
Liabilities	
Employees' end of service benefit	**4,723,317**
Bank borrowings	**75,202,694**
Lease liabilities	**13,521,523**
Deferred tax liabilities	**1,887,875**
Due to related parties	**100,874,824**
Trade and other payables	**123,087,379**
Total liabilities	**319,297,612**
Proportionate share of identifiable net assets acquired (100%)	**716,162,701**
Consideration paid	**(2)**
Merger reserve	**716,162,699**

6 BUSINESS COMBINATIONS continued

6.2 Acquisitions under IFRS 3 Business Combination

During the year ended 31 December 2022 and 2021, the Group acquired the following entities, which were accounted for using the acquisition method under IFRS 3 Business Combination:

6.2 (a) Acquisition during the year

NRTC Food Holding LLC ("NRTC”)
Effective 1 October 2022, the Group acquired control over NRTC Food Holding LLC and its subsidiaries, previously a 41% owned associate of the Group, through obtaining majority representation of the board of directors of NRTC (note 4). NRTC is a limited liability company, registered and incorporated in Abu Dhabi, United Arab Emirates and is involved in commercial and agricultural enterprises investment, institution and management. The subsidiaries of NRTC are as follow:

Name of entities	*Place of incorporation and operation*	*Principal activities*	*Ownership interest*
NRTC Dubai International Vegetables & Fruits Trading LLC	United Arab Emirates	Fruits & Vegetables, Food & frozen trading	**100%**
Nasser Al Refaee Vegetables & Fruits Trading LLC	United Arab Emirates	Fruits & Vegetables trading, Food and beverage trading, Frozen poultry trading.	**100%**
Nasser Al Refaee Potatoes Trading LLC	United Arab Emirates	Potatoes Trading	**100%**
Food Care LLC	United Arab Emirates	Fruits & Vegetables trading, Food and beverage trading	**100%**
Al Rifai Sons Vegetables & Fruits Trading LLC	United Arab Emirates	Fruits & Vegetables trading, Food and beverage trading	**100%**
Nasser Al Refaee Fruits & Vegetables & Legumes Canning & Packaging Co. LLC	United Arab Emirates	Fruits & Vegetables canning and Packaging	**100%**
Wholes Sale Market Fruits & Vegetables Trading LLC	United Arab Emirates	Retail sale of fruits and vegetables, frozen foodstuff , fresh fish and meat, canned and preserved foodstuff	**100%**
NRTC International Fruits & Vegetables Trading LLC	United Arab Emirates	Retail sale of fruits and vegetables, frozen food, canned fresh meat. Onshore and offshore oil & gas and facilities services	**100%**
NRTC Investment SP LLC	United Arab Emirates	Commercial Agricultural Enterprises Investment, Institution and Management	**100%**

From the date of obtaining control, NRTC contributed revenue and profit to the Group amounting to AED 200,007,541 and AED 16,975,520 respectively. If the acquisition had taken place at the beginning of the year, NRTC would have contributed revenue and profit to the Group amounting to AED 706,024,604 and AED 50,422,790 respectively.

6 BUSINESS COMBINATIONS continued

6.2 Acquisitions under IFRS 3 Business Combination continued

6.2 (a) Acquisition during the year continued

Assets acquired and liabilities assumed
The fair values of the identifiable assets and liabilities of NRTC as at the date of acquisition were as follows:

	AED
Assets	
Property, plant and equipment	**18,281,218**
Intangible assets	**240,555,817**
Right-of-use assets	**842,936**
Inventories	**5,148,695**
Trade and other receivables	**178,604,690**
Cash and bank balances	**27,943,303**
Total assets	**471,376,659**
Liabilities	
Employees' end of service benefits	**2,628,994**
Lease liabilities	**898,559**
Trade and other payables	**88,639,380**
Total liabilities	**92,166,933**
Total identifiable net assets at fair value	**379,209,726**
Less: Non-controlling interest	**(223,733,738)**
Proportionate share of identifiable net assets acquired (41%)	**155,475,988**
Goodwill arising on acquisition	**117,722,231**
Purchase consideration - fair value of previously held equity interest (note 16)	**273,198,219**

The net assets recognised are based on a provisional assessment of their fair values as at the acquisition date. The Group will finalise the purchase price allocation exercise of the acquisition before the end of 2023.

The fair value of trade receivables amounts to AED 173,239,340. The gross amount of trade receivables is AED 179,607,224 and it is expected that the full contractual amounts can be collected.

Goodwill of AED 117,722,231 arising from the acquisition comprises largely the value of expected synergies arising from the acquisition, which are not separately recognised. The goodwill recognised is not expected to be deductible for income tax purposes.

Intangible assets of AED 240,494,399 have been recognised as a result of aforementioned acquisition, which comprise of customer relationships and lease benefits.

6 BUSINESS COMBINATIONS continued

6.2 Acquisitions under IFRS 3 Business Combination continued

6.2 (a) Acquisition during the year continued

The fair value measurement is based on significant inputs that are not observable in the market, which IFRS 13 "Fair Value Measurement" refers to as level 3 inputs. The fair value estimate is based on:

- Assumed discount rates of 11.5%; and
- A terminal value, calculated based on long-term sustainable growth rates for the industry ranging from 3% which has been used to determine income for the future years.

Acquisition related costs amounted to AED 132,480 were expensed during the year and are included in general and administrative expenses.

	NRTC AED
Analysis of cashflows on acquisitions:	
Cash paid for the acquisition	-
Net cash acquired on business combination	**27,943,303**
Acquisition of operating business - net of cash acquired (included in cash flows from investing activities)	**27,943,303**
Transaction costs of the acquisition (included in cash flows from operating activities)	**(132,480)**
Net cash acquired on acquisition	**27,810,823**

6.2 (b) Acquisition in prior year

Royal Horizon Holding LLC (“Royal Horizon”)
Effective 1 January 2021, the Group acquired a 60% interest in Royal Horizon Holding LLC and its subsidiaries (“Royal Horizon”). Royal Horizon’s subsidiaries are as follows:

Name of entities	*Place of incorporation and operation*	*Principal activities*	*Ownership interest*
Overseas Foodstuff Trading – Sole Proprietorship LLC	United Arab Emirates	Importing and wholesale of canned and preserved foodstuff trading	100%
Royal Horizon General Trading – Sole Proprietorship LLC	United Arab Emirates	General trading, retail sale of computer system and softwares, wholesale of canned and preserved foodstuff trading, importing and exporting, packaging and wrapping of foodstuff	
Royal Horizon Fazaa Stores LLC	United Arab Emirates	Retail and wholesale consumer stores	
Al Ufuq Almalaki General Trading – Sole Proprietorship LLC	United Arab Emirates	General trading, importing, exporting, retail sale of wood products	

For the year ended 31 December 2021, Royal Horizon contributed revenue and profit to the Group amounting to AED 164,350,390 and AED 5,214,329 respectively.

6 BUSINESS COMBINATIONS continued

6.2 Acquisitions under IFRS 3 Business Combination continued

6.2 (b) Acquisitions in prior year continued

Assets acquired and liabilities assumed
The fair values of the identifiable assets and liabilities of Royal Horizon as at the date of acquisition were as follows:

	AED
Assets	
Property, plant and equipment	**12,014,708**
Intangible assets	**42,632,844**
Right-of-use assets	**1,047,724**
Inventories	**17,725,049**
Due from related parties	**4,730,013**
Trade and other receivables	**18,817,667**
Cash and bank balances	**5,543,390**
Total assets	**102,511,395**
Liabilities	
Employees' end of service benefits	**651,387**
Bank borrowings	**9,207,414**
Lease liabilities	**972,879**
Trade and other payables	**26,539,590**
Total liabilities	**37,371,270**
Total identifiable net assets at fair value	**65,140,125**
Less: Non-controlling interest	**(26,056,050)**
Proportionate share of identifiable net assets acquired	**39,084,075**
Goodwill arising on acquisition	**915,925**
Purchase consideration	**40,000,000**

The fair value assessment of identifiable net assets is complete for Royal Horizon.

The fair value of trade receivables amounts to AED 13,086,662. The gross amount of trade receivables is AED 13,998,631 and it is expected that the full contractual amounts can be collected.

Intangible assets of AED 42,526,334 have been recognised as a result of aforementioned acquisition, which comprise of brand name, customer relationships, trademarks and license.

6 BUSINESS COMBINATIONS continued

6.2 Acquisitions under IFRS 3 Business Combination continued

6.2 (b) Acquisitions in prior year continued

Analysis of cashflows on acquisitions is as follows:

	Total AED
Purchase consideration:	
Total purchase consideration (cash paid for the acquisition)	**(40,000,000)**
Analysis of cashflow on acquisition:	
Cash paid for the acquisition	**(40,000,000)**
Net cash acquired on business combination	**5,543,390**
Acquisition of operating business - net of cash acquired (included in cash flows from investing activities)	**(34,456,610)**
Transaction costs of the acquisition (included in cash flows from operating activities)	**(156,000)**
Net cash used on acquisition	**(34,612,610)**

Acquisition related costs amounted to AED 156,000 were expensed during the year and are included in general and administrative expenses.

6.3 Increase in shareholding of Mirak Royal Nature Fruits & Vegetables LLC ("Mirak")

During the year, the Group acquired remaining 20% shareholding in Mirak for a consideration of AED 10,000,000. Following is a summary of the increase in shareholding, with corresponding adjustment in non-controlling interest:

Increase in shareholding (%)	**20%**
Carrying value of the shareholding acquired (net liabilities) (NCI) (AED)	**(6,303,153)**
Less: consideration paid (AED)	**(10,000,000)**
Charged to merger and other reserves (AED)	**(16,303,153)**

6.4 Reduction in shareholding without a loss of control

(A) *Reduction in shareholding of Abu Dhabi Vegetable Oil Company LLC ("ADVOC")*

During the year, the Group's shareholding in ADVOC decreased as a result of partial disposal of 5% interest for a consideration of AED 6,333,333. Following is a summary of the reduction in shareholding, with corresponding increase in non-controlling interest:

Reduction in shareholding (%)	**5%**
Carrying value of the shareholding disposed-off (NCI) (AED)	**5,767,508**
Less: consideration received (AED)	**(6,333,333)**
Charged to merger and other reserves (AED)	**(565,825)**

6 BUSINESS COMBINATIONS continued

6.4 Reduction in shareholding without a loss of control continued

(B) *Reduction in shareholding of Mirak Royal Nature Fruits & Vegetables LLC ("Mirak")*

Effective from 1 December 2022, the Group transferred 100% of its shareholding in Mirak to a 41% owned subsidiary, NRTC for a total consideration of AED 15,000,000, which resulted in a reduction of the Group's effective shareholding in Mirak by 59%. Following is the summary of the reduction in shareholding with corresponding adjustment in non-controlling interest:

Reduction in shareholding (%)	59%
Carrying value of the shareholding (net liabilities) disposed-off (NCI)	(4,810,485)
Less: consideration	(8,850,000)
Charged to merger and other reserves	**(13,660,485)**

The decrease in shareholding of certain subsidiaries resulted in a decrease in non-controlling interest as follows:

	AED
Carrying value of the shareholding disposed-off (ADVOC)	**5,767,508**
Carrying value of the shareholding (net liabilities) disposed-off (Mirak)	(4,810,485)
Reduction in NCI due to consideration relating to Mirak	(8,850,000)
Total decrease	**(7,892,977)**

7 REVENUE FROM CONTRACTS WITH CUSTOMERS

	2022 AED	*2021 AED*
Types of goods or services		
Sale of goods (food and non-food items)	**1,866,404,986**	545,620,999
Catering services	**300,840,807**	-
Facility management services	**98,079,224**	-
Contracting services	**13,240,661**	-
	2,278,565,678	545,620,999
Geographical concentration of revenue		
Within UAE	**2,124,105,308**	545,620,999
Outside UAE	**154,460,370**	-
	2,278,565,678	545,620,999
Timing of revenue recognition		
Revenue at a point in time	**2,047,326,659**	545,620,999
Revenue over time	**231,239,019**	-
	2,278,565,678	545,620,999

8 COST OF SALES

	2022 *AED*	*2021* *AED*
Cost of goods sold	**1,685,984,010**	464,759,148
Staff costs (note 12)	**109,726,202**	14,028,240
Depreciation on property, plant and equipment (note 14)	**52,985,921**	3,152,458
Amortization of biological assets (note 17)	**5,869,275**	-
Depreciation of right-of-use assets (note 25)	**4,042,157**	548,210
Others	**36,636,376**	-
	1,895,243,941	482,488,056

9 GENERAL AND ADMINISTRATIVE EXPENSES

	2022 *AED*	*2021* *AED*
Staff costs (note 12)	**97,169,547**	14,167,664
Rent, utilities and transportation	**20,408,828**	6,941,135
Provision for expected credit losses on trade receivable and due from related parties, net (note 20 & 29)	**23,615,007**	924,771
Legal and professional expenses	**10,256,447**	2,129,689
Amortisation of intangible assets (note 15)	**7,927,064**	2,945,237
Board of Directors remuneration (note 29)	**719,307**	-
Depreciation property, plant and equipment (note 14)	**7,092,738**	1,147,571
Depreciation of right-of-use assets (note 25)	**162,365**	-
Others	**25,242,366**	6,692,465
	192,593,669	34,948,532

10 FINANCE COSTS

	2022 *AED*	*2021* *AED*
Bank charges	**2,068,536**	955,982
Interest expense on bank borrowings	**5,341,574**	194,732
Interest expense on lease liability (note 25)	**3,891,312**	691,179
Interest expense on loan from a related party (note 29)	**1,942,392**	811,111
Others	**137,880**	-
	13,381,694	2,653,004

11 OTHER INCOME

	2022	*2021*
	AED	*AED*
Fair value gain for revaluation of biological assets (note 17)	**20,005,804**	-
Interest income on term deposits	**2,977,677**	-
Others	**14,790,854**	2,254,427
	37,774,335	2,254,427

12 STAFF COSTS

	2022	*2021*
	AED	*AED*
Salaries	**204,321,961**	24,089,880
Management remuneration (note 29)	**14,647,069**	2,969,336
Employees' end of service benefits (note 24)	**5,816,573**	1,136,688
	224,785,603	28,195,904
Staff cost is allocated as follows:		
Cost of sales (note 8)	**109,726,202**	14,028,240
General and administrative expenses (note 9)	**97,169,547**	14,167,664
Selling and distribution expenses	**17,889,854**	-
	224,785,603	28,195,904

13 BASIC EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit for the year attributed to the owners of the Company by the weighted average number of shares in issue throughout the year as follows:

	2022	*2021*
Profit attributable to the owners of the Company (AED)	**281,717,743**	57,624,878
Weighted average number of shares (No.)	**195,307,692**	100,000,000
Basic earnings per share for the year (AED)	**1.44**	0.58

14 PROPERTY, PLANT AND EQUIPMENT

	Land AED	*Building and leasehold improvements AED*	*Plant and machinery AED*	*Furnitures, fixtures and office equipments AED*	*Motor vehicles AED*	*Capital work in progress AED*	*Bearer plants AED*	*Total AED*
2022								
Cost:								
At 1 January 2022	115,306,089	358,573,543	129,735,713	10,820,665	16,360,949	2,244,881	26,861,810	659,903,650
Acquired in business combinations (note 6)	-	270,000,054	1,046,295,116	30,439,298	54,847,197	13,686,282	-	1,415,267,947
Additions during the year	-	16,252,935	31,544,327	3,573,057	9,598,456	11,676,575	34,858,539	107,503,889
Transfer from capital work in progress	-	556,083	798,286	-	-	(1,354,369)	-	-
Transfer to intangible assets (note 15)	-	-	-	-	-	(132,322)	-	(132,322)
Foreign currency translation adjustment	(43,261,264)	(8,744,151)	(10,988,562)	(22,559)	(1,015,033)	(158,531)	(18,025,455)	(82,215,555)
Disposals during the year	-	(2,319,963)	(1,100,251)	(1,307,661)	(453,898)	(75,384)	-	(5,257,157)
At 31 December 2022	**72,044,825**	**634,318,501**	**1,196,284,629**	**43,502,800**	**79,337,671**	**25,887,132**	**43,694,894**	**2,095,070,452**
Accumulated depreciation:								
At 1 January 2022	-	76,366,502	50,668,002	5,097,425	10,031,790	-	-	142,163,719
Acquired in business combinations (note 6)	-	105,098,535	583,034,101	26,983,266	42,564,638	-	-	757,680,540
Charge for the year	-	23,131,201	32,286,461	3,756,622	3,652,756	-	-	62,827,040
Foreign currency translation adjustment	-	(3,134,012)	(4,990,470)	(7,419)	(157,635)	-	-	(8,289,536)
Related to disposals	-	(2,305,285)	(809,198)	(1,218,832)	(433,723)	-	-	(4,767,038)
At 31 December 2022	-	**199,156,941**	**660,188,896**	**34,611,062**	**55,657,826**	-	-	**949,614,725**
Net carrying amount:								
31 December 2022	**72,044,825**	**435,161,560**	**536,095,733**	**8,891,738**	**23,679,845**	**25,887,132**	**43,694,894**	**1,145,455,727**
2021								
Cost:								
At 1 January 2021	-	15,467,828	2,845,299	3,602,024	4,915,317	3,634,065	-	30,464,533
Acquired in business combinations (note 6)	115,306,089	333,809,399	125,508,991	5,610,653	10,693,721	547,050	26,861,810	618,337,713
Additions during the year	-	5,710,491	1,381,423	1,607,988	1,589,695	1,649,591	-	11,939,188
Transfer from capital work in progress	-	3,585,825	-	-	-	(3,585,825)	-	-
Disposals during the year	-	-	-	-	(837,784)	-	-	(837,784)
At 31 December 2021	115,306,089	358,573,543	129,735,713	10,820,665	16,360,949	2,244,881	26,861,810	659,903,650
Accumulated depreciation:								
At 1 January 2021	-	3,439,906	1,766,571	2,414,263	3,143,050	-		10,763,790
Acquired in business combinations (note 6)	-	71,687,803	47,888,879	1,714,013	6,544,601	-		127,835,296
Charge for the year	-	1,238,793	1,012,552	969,149	1,079,535	-		4,300,029
Related to disposals	-	-	-	-	(735,396)	-	-	(735,396)
At 31 December 2021	-	76,366,502	50,668,002	5,097,425	10,031,790	-	-	142,163,719
Net carrying amount:								
31 December 2021	115,306,089	282,207,041	79,067,711	5,723,240	6,329,159	2,244,881	26,861,810	517,739,931

14 PROPERTY, PLANT AND EQUIPMENT continued

The depreciation charge for the year has been allocated as follows:

	2022 ***AED***	*2021* *AED*
Cost of sales (note 8)	**52,985,921**	3,152,458
General and administrative expenses (note 9)	**7,092,738**	1,147,571
Selling and distribution expenses	**1,478,563**	-
Biological assets (note 17)	**1,269,818**	-
	62,827,040	4,300,029

Property, plant and equipment with a carrying value of AED 154,310,399 (2021: AED 132,312,749) are mortgaged as security against bank borrowings (note 26).

15 INTANGIBLE ASSETS AND GOODWILL

	Goodwill *AED*	*Brand name* *AED*	*Customer relationship* *AED*	*Trademarks* *AED*	*License* *AED*	*Lease benefits* *AED*	*Others* *AED*	*Total* *AED*
At 1 January 2022	**915,925**	**3,761,404**	**8,584,118**	**14,850,665**	**12,409,130**	**-**	**2,041,936**	**42,563,178**
Acquired in business combinations (note 6)	**131,967,651**	**-**	**145,018,937**	**-**	**-**	**95,475,462**	**570,603**	**373,032,653**
Additions	**-**	**-**	**-**	**-**	**-**	**-**	**401,220**	**401,220**
Transfers from capital work-in-progress (note 14)	**-**	**-**	**-**	**-**	**-**	**-**	**132,322**	**132,322**
Amortisation during the year (note 9)	**-**	**-**	**(3,811,846)**	**-**	**(1,698,795)**	**(1,591,258)**	**(825,165)**	**(7,927,064)**
At 31 December 2022	**132,883,576**	**3,761,404**	**149,791,209**	**14,850,665**	**10,710,335**	**93,884,204**	**2,320,916**	**408,202,309**
At 1 January 2021	-	-	-	-	-	-	-	-
Acquired in business combinations (note 6)	915,925	3,761,404	9,806,340	14,850,665	14,107,925	-	2,061,756	45,504,015
Additions	-	-	-	-	-	-	4,400	4,400
Amortisation during the year (note 9)	-	-	(1,222,222)	-	(1,698,795)	-	(24,220)	(2,945,237)
At 31 December 2021	915,925	3,761,404	8,584,118	14,850,665	12,409,130	-	2,041,936	42,563,178

15 INTANGIBLE ASSETS AND GOODWILL continued

Goodwill
Goodwill primarily comprises sales growth, new customers and expected synergies arising from the acquisitions. Goodwill is allocated to respective cash generating units. Management has assessed that no impairment loss is required to be recognised against goodwill at the reporting date.

Brand name
Brand name represents future economic benefits in the form of future business linked with the brand name of one of subsidiary, Royal Horizon Holding LLC. Brand name has an indefinite useful life.

Customer relationships
Customer relationships represents future economic benefits in the form of future business with customers beyond the amount secured by any current contractual arrangement. Customer relationship acquired in a business combination that does not arise from a contract may nevertheless be identifiable because the relationship is separable. These mainly includes non-contractual relationships, which were acquired during the year (note 6) and meet the criteria for recognition as intangible assets under IAS 38. Customer relationships have a finite useful life and are carried at cost less accumulated amortisation and impairment. Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful lives of 6 to 14 years.

Trademarks
Trademarks represent future economic benefits in the form of future business linked with the trademarks under Royal Horizon Holding LLC. The trademarks have indefinite useful lives.

License
The license allows Royal Horizon Holding LLC to use “Fazaa” name for its retail stores, and was recognized on acquisition of Royal Horizon Holding LLC in 2021. The Fazaa license has a useful life of 8 years.

Lease Benefits
Lease benefits represents the future economic benefits in the form of a favorable lease arrangements the Group acquired in business combination. Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful lives of 6 to 15 years.

As of 30 November 2022, management performed its annual impairment review of goodwill and intangible assets with indefinite useful lives, using the discounted cashflow model approach.

The recoverable amounts have been computed based on value in use approach derived from financial projections made for a five-year period plus a terminal value thereafter. The methodology used for the estimation of fair value less cost to sell was discounted cash flow approach.

Following key assumptions were used in the discounted cashflow review:

- Terminal growth rate: 3%
- Discount rate: 11% - 16%

Based on the impairment assessment estimated recoverable amounts exceeded the carrying values, management has concluded that no impairment loss is required to be recognised at the reporting date.

16 INVESTMENT IN ASSOCIATES AND JOINT VENTURES

Details of the Group's associates and joint ventures are as follows:

Name of entity	*Principal activities*	*Place of incorporation and operation*	*Ownership interest 2022*	*Ownership interest 2021*
Associates:				
NRTC Food Holding LLC (i)	Commercial enterprises investment, institution and management	UAE	**-**	41%
Invictus Investment Company PLC (ii)	Trading of agricultural commodities, food products, non-manufactured precious metal trading and other general items	UAE	**22.32%**	-
Reem Ready Mix LLC (iii)	Manufacturing and sale of concrete ready mix and providing concrete pumping services	UAE	**20%**	-
Joint ventures:				
Sky Go Transport of Goods LLC (iv)	Engaged in air transportation for goods using unmanned aerial vehicles (Drones)	UAE	**50%**	-
Agriculture Investment Holding Company (Ethmar) Ltd. (v)	General trading, importing, exporting, storing in public store houses, commercial brokers and storekeepers and warehouses management and operations. Wholesale of fodder trading canned and preserved foodstuff trading, frozen foodstuff trading and agriculture foodstuff trading.	UAE	**-**	50%

i) NRTC Food Holding LLC ("NRTC")
Effective 1 October 2022, the Group obtained control of NRTC (note 6.2(a)) and accordingly, the investment in associate was derecognised and the fair value of the previously held interest was transferred to investment in subsidiaries as follows:

	AED
Fair value of previously held 41% equity interest (note 6.2(a))	**273,198,219**
Carrying value of previously held 41% equity interest	**(183,198,219)**
Fair value gain on revaluation of previously held equity interest	**90,000,000**

ii) Invictus Investment Company PLC ("Invictus")
Effective 6 December 2022, Invictus Investment Company PLC became associate of the Group as a result of the acquisition of Green Park Investment LLC – a Sole proprietorship, an entity acquired under common control (note 6.1 (a)).

iii) Reem Ready Mix LLC ("Reem")
Effective 30 April 2022, Reem Ready Mix LLC became associate of the Group as a result of the acquisition of Apex Investment PSC, an entity acquired under common control (note 6.1 (a)).

iv) Sky Go Transport of Goods LLC ("Sky")
During the year, the Group acquired 50% shareholding in Sky Go Transport of Goods LLC for a consideration of AED 3,675,000.

16 INVESTMENT IN ASSOCIATES AND JOINT VENTURES continued

v) Agriculture Investment Holding Company ("Ethmar") Ltd.

On 1 April 2022, the Group disposed-off its investment in Agriculture Investment Holding Company ("Ethmar") Ltd to a related party for a consideration of AED 101,000,000.

Gain on disposal of investment in a joint venture is calculated as follows:

	AED
Carrying value of the investment at the beginning of the year	101,013,776
Share of loss for the year	(30,316,000)
Share of other comprehensive loss for the year	(7,077,215)
Carrying value at the date of disposal	**63,620,561**
Less: sale consideration	(101,000,000)
Gain on disposal	**(37,379,439)**

Movement in investment in associates and joint ventures is as follows:

	2022 ***AED***	*2021* *AED*
At 1 January	**270,498,616**	-
Acquired in business combinations (note 6.1)	**609,674,618**	270,498,616
Acquisition during the year	**3,675,000**	-
Transferred from investments in financial assets (note 18.2)	**6,165,000**	-
Transferred to investment in subsidiaries	**(183,198,219)**	-
Disposal during the year	**(63,620,561)**	-
Share of other comprehensive loss for the year	**(7,077,215)**	-
Share of loss for the year	**(21,518,310)**	-
At 31 December	**614,598,929**	270,498,616

16 INVESTMENT IN ASSOCIATES AND JOINT VENTURES continued

Summarised financial information in respect of the associates and joint ventures of the Group is set out below:

Summarised statements of financial position:

	2022 ***AED***	*2021* *AED*
Non-current assets	**49,740,244**	396,729,985
Current assets	**2,810,744,782**	383,580,462
Non-current liabilities	**(3,053,148)**	(232,430,285)
Current liabilities	**(1,777,945,034)**	(239,360,218)
Equity (100%)	**1,079,486,844**	308,519,944
Group percentage holding	**20%-50%**	41% - 50%
Group’s share in net assets	**242,508,029**	144,758,846
Carrying amount of the Investments	**614,598,929**	270,498,616

Summarised statements of total comprehensive loss:

	2022 ***AED***	*2021* *AED*
Revenue	**1,279,856,488**	-
Cost of sales	**(1,168,668,376)**	-
Other income	**5,883,440**	-
Operating expenses	**(165,122,038)**	-
Loss for the period	**(48,050,486)**	-
Other comprehensive loss	**(14,154,431)**	-
Total comprehensive loss	**(62,204,917)**	-
Group percentage holding	**20%-50%**	-
Group’s share of loss	**(21,518,310)**	-
Group’s share of other comprehensive loss	**(7,077,215)**	-
Group’s share of total comprehensive loss	**(28,595,525)**	-

Contingencies and commitments:
The Group’s share in material contingencies and commitments of the associates and a joint venture is as follows:

	2022 ***AED***	*2021* *AED*
Letters of guarantees and credits	**106,310,987**	457,150
Capital commitment	**1,275,348**	-

17 BIOLOGICAL ASSETS

	2022	*2021*
	AED	*AED*
Fish, caviar and shrimps – livestock	**51,500,150**	-
Chicken livestock	**6,139,865**	4,974,217
	57,640,015	4,974,217

Movement in biological assets is as follows:

	2022	*2021*
	AED	*AED*
At 1 January	**4,974,217**	-
Acquired in business combinations (note 6)	**31,352,679**	4,974,217
Additions	**6,423,989**	-
Depreciation capitalised (note 14)	**1,269,818**	-
Amortisation for the year (note 8)	**(5,869,275)**	-
Disposals	**(517,217)**	-
Change in fair value (note 11)	**20,005,804**	-
At 31 December	**57,640,015**	4,974,217

Chicken livestock:
Chicken livestock which are carried at cost. There are no quoted market prices for chicken livestock in the Gulf Cooperation Council, and alternatives for measuring fair value are determined by management to be unverifiable. Accordingly, the cost of parent chicken, determined on the basis of monthly average expenditure, comprises purchase price of the day old chicken ("DOC") and all expenses incurred in bringing the DOCs to the farm from overseas, together with costs such as feed costs, incurred in rearing and maintaining the flock until the egg production commences.

Fish, caviar and Shrimps live Stock:
Biological assets primarily comprised mature fish and its caviar, juvenile fish and shripms, which are farmed by the Group. Shrimps are carried at acquisition cost plus costs incurred post acquisition for feeds and chemicals until the age of 6 months which is considered to be the economic productivity period. After this period, shrimps are sold to outside parties except for mother shrimps which are expected to produce larvae.

Agricultural produce, i.e. larval shrimps and juveniles, is measured at fair value less costs to sell at the point of production from the Company's biological assets. The fair values are determined based on current market prices of similar type of assets. Costs to sell include commission to brokers and retailers.

These species are considered as 'mature' when it weighs between 500 grams to 2,000 grams, while juvenile species weighs between 2 grams to 15 grams. All matured fish are measured on initial recognition and at end of each reporting period at fair values less estimated costs to sell. The fair values are determined based on current market prices of similar type of assets. Costs to sell include commission to brokers and retailers.

Caviar that the sturgeon fish produces are fair valued on the basis of the bio mass relative to the relative of the weight of the fish on current market prices of similar type of assets. Costs to sell include commission to brokers and retailers. After harvest, the caviar produced from harvest is treated as inventory and the fair value at the point of harvest is treated as the cost of the inventory.

18 INVESTMENTS IN FINANCIAL ASSETS

	Notes	*2022* *AED*	*2021* *AED*
Investments carried at fair value through other comprehensive income	18.1	**188,717,187**	-
Investments carried at fair value through profit or loss	18.2	**688,809,736**	82,747,019
		877,526,923	82,747,019

Disclosed in the consolidated statement of financial position as follows:

	2022 *AED*	*2021* *AED*
Current	**688,809,736**	82,747,019
Non-current	**188,717,187**	-
	877,526,923	82,747,019

18.1 Investments carried at fair value through other comprehensive income

	2022 *AED*	*2021* *AED*
Quoted equity investments and inside the UAE	**183,648,821**	**-**
Unquoted equity investments and inside the UAE	**5,068,366**	-
	188,717,187	-

These investments in equity instruments are not held for trading. Instead, they are held for long-term strategic purposes. Accordingly, management of the Group has elected to designate these investments in financial instruments as FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

The investments are recorded at fair value using the valuation techniques as disclosed in note 34. Movement in investments in financial assets carried at fair value through other comprehensive income is as follows:

	2022 *AED*	*2021* *AED*
At 1 January	-	-
Acquired in business combination (note 6.1(a))	**210,131,932**	-
Changes in fair value	**(21,414,745)**	-
At 31 December	**188,717,187**	-

18 INVESTMENTS IN FINANCIAL ASSETS continued

18.2 Investments carried at fair value through profit or loss

	2022 *AED*	*2021* *AED*
Quoted equity investments and inside the UAE	**688,809,736**	82,747,019

These investments in equity instruments are held for trading with an intention of recognising short-term fluctuations in these investments. Fair values of the quoted investments are determined by reference to published price quotations in an active market

The investments are recorded at fair value using the valuation techniques as disclosed in note 34. Movement in investments in financial assets carried at fair value through profit or loss is as follows:

	2022 *AED*	*2021* *AED*
At 1 January	**82,747,019**	-
Acquired in business combination (note 6.1(a))	**573,173,783**	-
Transferred to investment in an associate (16)	**(6,165,000)**	**-**
Additions during the year	**24,769,117**	50,822,243
Disposals during the year	**(52,714,426)**	-
Changes in fair value	**66,999,243**	31,924,776
At 31 December	**688,809,736**	82,747,019

19 INVENTORIES

	2022 *AED*	*2021* *AED*
Finished goods	**101,539,703**	62,357,817
Raw Materials	**51,638,650**	-
Spare parts	**39,399,342**	-
Work in progress	**7,135,024**	-
Fish and poultry stock	**3,326,004**	**-**
Packing and other materials	**4,599,638**	10,321,187
	207,638,361	72,679,004
Goods in transit	**4,182,072**	9,708,340
Less: provision for slow moving inventories	**(7,778,562)**	(2,239,387)
	204,041,871	80,147,957

19 INVENTORIES continued

Movement in allowance for slow moving inventories is as follows:

	2022 AED	*2021 AED*
At 1 January	**2,239,387**	-
Acquired in business combination	**5,619,165**	2,239,387
Reversal during the year, net	**(79,990)**	-
At 31 December	**7,778,562**	2,239,387

20 TRADE AND OTHER RECEIVABLES

	2022 AED	*2021 AED*
Trade receivables	**962,607,478**	144,105,266
Unbilled receivable	**37,612,678**	-
Less: provision for expected credit losses	**(66,830,152)**	(14,768,581)
	933,390,004	129,336,685
Deposits and other receivables	**25,642,477**	13,904,739
Advances to suppliers	**23,424,460**	5,244,355
Prepayments	**18,234,305**	8,890,307
Margin receivables	**18,851,854**	1,017,000
	1,019,543,100	158,393,086

As at 31 December 2022, trade receivables of AED 66,763,779 (2021: AED 14,768,581) were impaired. Movements in the provision for expected credit losses were as follows:

	2022 AED	*2021 AED*
At 1 January	**14,768,581**	847,885
Acquired in business combinations	**34,227,545**	12,976,127
Charge for the year (note 9)	**21,438,796**	944,569
Write off	**(3,604,770)**	-
At 31 December	**66,830,152**	14,768,581

The carrying amounts of the Group’s trade receivables are denominated in the UAE Dirham and approximate their fair value as at 31 December 2022 and 2021. The maximum exposure to credit risk at the reporting date is the carrying value of each class of the receivables mentioned above. The Group does not hold any collateral as security.

20 TRADE AND OTHER RECEIVABLES continued

Below is the information about the credit risk exposure on the Group’s trade receivables:

	Not past due AED	*1 - 30 AED*	*31 - 60 AED*	*61 -120 AED*	*121 – 360 AED*	*> 360 AED*	*Total AED*
31 December 2022							
Expected credit loss	**0.34%**	**1.41%**	**1.14%**	**2.22%**	**5.12%**	**73.19%**	
Estimated total gross carrying amount as default	**204,419,947**	**79,436,080**	**89,519,992**	**164,833,667**	**408,151,065**	**53,859,405**	**1,000,220,156**
Expected credit loss	**716,661**	**1,122,057**	**1,018,358**	**3,654,459**	**20,897,532**	**39,421,085**	**66,830,152**
31 December 2021							
Expected credit loss	1.09%	4.09%	7.00%	40.11%	28.74%	91.69%	
Estimated total gross carrying amount as default	95,149,660	18,159,329	7,283,225	13,658,694	3,226,990	6,627,368	144,105,266
Expected credit loss	1,032,439	743,336	510,112	5,478,818	927,508	6,076,368	14,768,581

21 CASH AND BANK BALANCES

	2022 AED	*2021 AED*
Cash in hand	**4,649,788**	1,750,948
Bank balances		
Current accounts	**464,135,929**	169,669,923
Term deposits	**681,951**	2,293,969
Less: allowance for expected credit losses	**(30,048)**	(26,511)
Cash and bank balances	**469,437,620**	173,688,329
Less: term deposits with an original maturity of more than three months	**(681,951)**	(2,293,969)
Less: bank overdrafts (note 26)	**(15,461,359)**	-
Cash and cash equivalents	**453,294,310**	171,394,360

Term deposits are placed with commercial banks. These are mainly denominated in the UAE Dirhams and earn interest at market rates. These deposits have original maturity of less than 12 months.

22 SHARE CAPITAL

	2022 AED	*2021 AED*
Authorised, issued and fully paid shares		
241,600,000 ordinary shares of AED 1 each (31 December 2021: 100,000,000 ordinary shares of AED 1 each)	**241,600,000**	100,000,000

22 SHARE CAPITAL continued

During the year, the shareholders approved to increase the share capital of the Company from AED 100,000,000 to AED 241,600,000 through the issuance of 141,600,000 new shares at a par value of AED 1. The new shares were issued as a purchase consideration for the acquisition of Tamween Companies Management LLC (note 6), in the following manner:

	No. of shares	*AED*
IHC Food Holding LLC	131,600,000	131,600,000
Al Ataa Investment L.L.C	10,000,000	10,000,000
	141,600,000	**141,600,000**

Contributed capital
Contributed capital represents a long-term interest free advance from shareholders with no fixed terms of repayment. The shareholders have confirmed that this will not be called in the foreseeable future, and that, on dissolution of the company, the rights, benefits and obligations in the residual net assets and liabilities, attached to the balance in the additional shareholder contribution account, shall rank pari passu with those attached to the share capital of the company. Therefore, this advance is more akin to an equity instrument rather than a liability, and accordingly the balance has been presented within equity.

23 STATUTORY RESERVE

In accordance with the UAE Federal Law No. (32) of 2021, and the Company's Articles of Association, 10% of the profit for the year is transferred to legal reserve, which is non-distributable. Transfers to this reserve are required to be made until such time as it equals at least 50% of the share capital of the Company.

24 EMPLOYEES' END OF SERVICE BENEFITS

Movements in the provision recognised in the consolidated statement of financial position are as follows:

	2022 ***AED***	*2021* *AED*
At 1 January	**10,184,753**	3,821,827
Acquired in business combinations (note 6)	**13,353,412**	5,374,704
Provided during the year (note 12)	**5,816,573**	1,136,688
Paid during the year	**(2,569,782)**	(148,466)
At 31 December	**26,784,956**	10,184,753

25 RIGHT-OF-USE OF ASSETS AND LEASE LIABILITIES

Set out below are the carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the year:

Right-of-use assets:

	Land AED	*Motor vehicles AED*	*Building and warehouses AED*	*Total AED*
2022				
At 1 January 2022	**26,018,790**	**165,655**	**733,397**	**26,917,842**
Acquired in business combinations (note 6)	**36,152,833**	**-**	**-**	**36,152,833**
Additions during the year	**37,227,493**	**-**	**6,057,475**	**43,284,968**
Depreciation expense	**(2,887,843)**	**(62,121)**	**(1,344,330)**	**(4,294,294)**
Cancellation of lease	**(100,437)**	**-**	**-**	**(100,437)**
Foreign Exchange translation differences	**-**	**-**	**(18,140)**	**(18,140)**
At 31 December 2022	**96,410,836**	**103,534**	**5,428,402**	**101,942,772**
2021				
At 1 January 2021	7,089,122	-	-	7,089,122
Acquired in business combinations (note 6)	12,614,432	165,655	1,047,725	13,827,812
Additions during the year	6,549,118	-	-	6,549,118
Depreciation expense	(233,882)	-	(314,328)	(548,210)
At 31 December 2021	26,018,790	165,655	733,397	26,917,842

Lease liabilities:

	2022 AED	*2021 AED*
As at 1 January	**28,774,845**	7,662,630
Acquired in business combinations (note 6)	**40,001,927**	14,494,402
Additions during the year	**28,278,317**	6,549,118
Interest expense (note 10)	**3,891,312**	691,179
Cancellation of lease	**(134,755)**	-
Payments made during the year	**(4,686,454)**	(622,484)
Foreign Exchange translation differences	**(53,501)**	-
As at 31 December	**96,071,691**	28,774,845

Lease liabilities are classified in the consolidated statement of financial position as follows:

	2022 AED	*2021 AED*
Non-current	**90,287,325**	26,890,723
Current	**5,784,366**	1,884,122
	96,071,691	28,774,845

The Group does not face a significant liquidity risk with regard to its liabilities. Lease liability is monitored within the Group's treasury function. Maturity analysis of the undiscounted lease payments as at 31 December 2021 is disclosed under note 33.

25 RIGHT-OF-USE OF ASSETS AND LEASE LIABILITIES continued

Amounts recognised in the consolidated statement of profit or loss:

	2022 ***AED***	*2021* *AED*
Depreciation of right-of-use assets *(cost of sales)*	**4,042,157**	548,210
Depreciation of right-of-use assets *(general and administrative expense)*	**162,365**	-
Depreciation of right-of-use assets *(selling and distribution expenses)*	**89,772**	-
Gain on cancellation of a lease *(other income)*	**(34,318)**	-
Interest expense on lease liabilities *(finance cost)*	**3,891,312**	691,179
	8,151,288	1,239,389

26 BANK BORROWINGS

Movement in bank borrowings during the year is as follows:

	2022 ***AED***	*2021* *AED*
At 1 January	**75,202,694**	-
Acquired in business combinations (note 6)	**39,399,468**	84,410,108
Drawdowns	**577,580,104**	10,853,857
Repayments	**(120,611,617)**	(20,061,271)
At 31 December	**571,570,649**	75,202,694

Disclosed in the consolidated statement of financial position as follows:

	2022 ***AED***	*2021* *AED*
Non-current	**422,437,243**	40,437,243
Current	**149,133,406**	34,765,451
	571,570,649	75,202,694

26 BANK BORROWINGS continued

Borrowings from financial institutions	*Interest rates*	*Maturity*	*Installments*	*Purpose*	*Securities*	***2022 AED***	*2021 AED*
Term loan 1	EIBOR +0.91%	December 2027	Annual	To finance the purchase of an subsidiary	Mortgaged over the asset and assignment of dividend proceeds	**500,000,000**	-
Term loan 2	EIBOR + 3%	31 March 2025	Quarterly	To finance construction of new factory	Corporate guarantee of a subsidiary of the Group and a mortgage over the factory	**40,437,243**	56,437,243
Short term loan 1	EIBOR + 3%	150 days	-	To meet working capital requirements	Corporate guarantee of a subsidiary of the Group and assignment of current assets	**9,581,804**	-
Short term loan 2	EIBOR + 3%	30 – 90 days	-	To finance the capital expenditure	Mortgaged over the asset and assignment of comprehensive insurance policy on the asset.	**1,158,654**	-
Short term loan 3	EIBOR + 3.5%	90 -120 days	-	To meet working capital requirements	Personal and corporate guarantee of the related party of the subsidiary, updated cheque drawn on customer account, specific assignment of receivables and proceeds in favor of the bank, mortgage over the subsidiary's bank accounts	**4,770,983**	-
Trust receipts	EIBOR + 3%	180 days	-	-	Corporate guarantee of a related parties, undated cheques, mortgage over current accounts	-	18,765,451
Bank overdraft	EIBOR + 3%	-	-	To meet working capital requirements	-	**15,461,39**	-
Vehicle loan	3.4%	20 September 2024	Monthly	To finance vehicle purchase	Mortgage over motor vehicle	**160,606**	-
						571,570,649	75,202,694

26 BANK BORROWINGS continued

Term Loan 1
The Company has obtained a long term loan facility of AED 500,000,000, to finance the acquisition of a subsidiary. The loan is repayable in four equally installments of AED 100,000,000 each and the last installment will be for the outstanding amount along with accrued interest. Interest is payable on quarterly basis at 3months EIBOR plus 0.91%. The facility is secured by the mortgaged over the shares of a subsidiary and assignment of future dividends proceeds from the associate.

Term Loan 2
Term loan 2 was obtained by a subsidiary of the Company to finance the construction of a factory for the processing of frozen and fresh sea food. The loan is repayable in quarterly installments of AED 4 million each and is secured by the corporate guarantee of a subsidiary of the Group and a mortgage over the factory.

Bank overdraft
Bank overdraft represents unsecured bank credit facilities from a financial institution in the United Arab Emirates up to a limit of AED 20 million. The facility bears interest at 3 months EIBOR + 2.75% per annum, subject to minimum of 4.5% per annum.

27 TAXATION

The Group's subsidiary in Arab Republic of Egypt is subject to taxation. Income tax is provided on the basis of estimated taxable income computed by management of the subsidiary using tax rates, enacted or substantially enacted at the reporting date, applicable in the respective region and any adjustment to tax in respect of previous years. Corporate tax rate applicable in Egypt is 22.5%.

The Group is not subject to income tax in the UAE.

The major components of taxation for the years ended 31 December 2022 and 2021 are:

	2022	*2021*
	AED	*AED*
Consolidated statement of profit or loss		
Income tax:		
Charge for the year	**-**	-
Deferred tax:		
Relating to origination and reversal of temporary differences	**356,205**	-
Income tax benefit reported in the consolidated statement of profit or loss	**356,205**	-
Consolidated other comprehensive income		
Deferred tax related to items recognised in OCI during in the year:		
Foreign exchange difference on translation of foreign operations	**13,991,088**	-
Deferred income tax charged to OCI	**13,991,088**	-

27 TAXATION continued

Reconciliation of tax benefit and the accounting profit multiplied by Egyptian’s domestic tax rate for 2021 and 2022:

	2022 ***AED***	*2021* *AED*
Accounting profit subject to tax	**5,708,155**	-
At Egyptian statutory income tax rate of 22.5% (2021: nil)	**(1,284,335)**	-
Tax losses	**3,131,616**	-
Temporary differences	**(1,895,572)**	-
Permanent differences	**404,496**	-
Income tax benefit reported in the consolidated statement of profit or loss	**356,205**	-

Deferred tax
Reconciliation of deferred tax assets (liabilities):

	2022 ***AED***	*2021* *AED*
At 1 January	**(1,887,875)**	-
Acquired in business combination	**-**	(1,887,875)
Foreign currency translation adjustment	**515,866**	-
Tax income recognised in profit or loss during the year	**356,205**	-
Tax income recognised in OCI during the year	**13,991,088**	-
At 31 December – assets (liabilities)	**12,975,285**	(1,887,875)

Deferred tax assets (liabilities) relate to the following:

	2022 ***AED***	*2021* *AED*
Deferred tax assets		
Foreign exchange difference on translation of foreign operations	**13,991,088**	-
Losses available for offsetting against future taxable income	**2,767,644**	-
Provisions	**10,266**	-
	16,768,998	-
Deferred tax liabilities		
Accelerated depreciation for tax purposes	**(3,793,713)**	(1,887,875)

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime will become effective for accounting periods beginning on or after 1 June 2023.

27 TAXATION continued

Generally, UAE businesses will be subject to a 9% CT rate. A rate of 0% will apply to taxable income not exceeding a particular threshold to be prescribed by way of a Cabinet Decision (expected to be AED 375,000 based on information released by the Ministry of Finance). In addition, there are several other decisions that are yet to be finalised by way of a Cabinet Decision that are significant in order for entities to determine their tax status and the taxable income. Therefore, pending such important decisions by the Cabinet as at 31 December 2022, the Group has considered that the Law is not substantively enacted in the UAE from IAS 12 – Income Taxes perspective as at 31 December 2022. The Group shall continue to monitor the timing of the issuance of these critical cabinet decisions to determine their tax status and the application of IAS 12 – Income Taxes.

The Group is currently in the process of assessing the possible impact on financial statements, both from current and deferred tax perspective, once these critical cabinet decisions are issued.

28 TRADE AND OTHER PAYABLES

	2022 AED	*2021 AED*
Trade accounts payable	**396,594,423**	121,690,156
Provisions, accruals and other payable	**108,762,272**	104,092,540
Deferred revenue	**4,857,729**	1,938,761
Advances from customers	**3,023,810**	90,084
	513,238,234	227,811,541

The Group's trade accounts payables have usual credit terms of 30 to 90 days from the invoice date. No interest is charged on trade and other payables.

29 RELATED PARTY TRANSACTIONS AND BALANCES

The Group enters into transactions with companies and entities that fall within the definition of a related party as contained in the International Accounting Standard (IAS) 24 Related Party Disclosures. These represent transactions with related parties, i.e. shareholders, associates, affiliates, directors and key management personnel of the Group, and entities controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

29 RELATED PARTY TRANSACTIONS AND BALANCES continued

Balances due from related parties included in the interim consolidated statement of financial position are as follows:

	2022	*2021*
	AED	*AED*
Due from related parties:		
Entities under common control		
Tamouh Healthcare LLC	**100,219,550**	12,483,843
National Petroleum Construction Company	**52,170,997**	-
Asmak Holding Company Limited	**15,434,267**	16,218,618
Construction Workers Residential City LLC	**13,541,188**	-
Moon Flower Real Estate Development LLC	**9,753,633**	-
Tamouh Healthcare Group LLC	**6,907,589**	-
International Holding Company PJSC	**5,773,919**	5,628,281
International Securities LLC	**2,540,310**	1,105,833
Cine Royal Cinema LLC	**115,814**	333,761
Al Masira Cargo Transports LLC	-	173,590
Al Yasat Catering and Restaurant Supplies LLC	-	3,090,024
Union Professional Electrical and Mechanical Works	-	158,855
Others	**5,807,843**	9,902,352
	212,265,110	49,095,157
Other related parties		
The Private Affairs Department of Sheikha Fatima	**115,063,096**	48,103,895
ATGC Transport & GC LLC	**82,453,090**	-
Meena Palace	**36,887,654**	29,805,721
Al Ataa Investment LLC ICP	**3,018,327**	
Sarha Ship	**4,069,832**	3,331,800
Others	**2,784,759**	1,276,982
	456,541,868	131,613,555
Less: allowance for excepted credit losses	**(5,484,060)**	(468,686)
	451,057,808	131,144,869

Set out below is the movement in the allowance for expected credit losses of due from related parties:

	2022	*2021*
	AED	*AED*
At 1 January	**468,686**	651,737
Acquired in business combination	**3,104,913**	47,706
Write off during the year	**-**	(210,959)
Provision for (reversal of) expected credit losses	**2,176,211**	(19,798)
At 31 December	**5,749,810**	468,686

29 RELATED PARTY TRANSACTIONS AND BALANCES continued

	2022 AED	*2021 AED*
Balances with a financial institution *(other related party)*	**406,335,246**	133,356,295
Borrowings from a financial institution *(other related party)*	**545,208,225**	75,202,694
Investments in financial assets *(entities under common control)*	**836,884,921**	77,022,528
Lease liabilities *(entities under common control)*	**4,446,601**	-

Balances due to related parties included in the interim consolidated statement of financial position are as follows:

	2022 AED	*2021 AED*
Due to related parties:		
Entities under common control		
International Holding Company PJSC	**96,928,151**	95,495,863
Construction Workers Residential City LLC	**7,140,676**	**-**
Asmak Holding Company Limited	**2,028,989**	1,996,916
Others	**2,760,613**	3,730,109
	108,858,429	101,222,888
Other related parties		
Pal Technology Services LLC	**30,850,149**	**-**
ATGC Transport & GC LLC	**7,594,447**	
Royal Group Companies Management LLC	**2,610,552**	**-**
H.H. Sheikh Tahnoon Bin Zayed Al Nahyan	**400,000**	400,000
Others	**2,329,759**	-
	152,643,336	101,622,888
Loans from related parties		
IHC Food Holding LLC	**105,000,000**	80,000,000
International Holding Company PJSC	**100,000,000**	-
	205,000,000	80,000,000

Set out below is the movement in the loans from related parties:

	2022 AED	*2021 AED*
At 1 January	**80,000,000**	80,000,000
Acquired in business combination (note 6)	**25,000,000**	-
Additions during the year (i & ii)	**125,000,000**	**-**
Wavier of a loan from a related party	**(25,000,000)**	-
At 31 December	**205,000,000**	80,000,000

29 RELATED PARTY TRANSACTIONS AND BALANCES continued

Loans from related parties continued

(i) On 29 December 2020, the Group obtained a loan from IHC Food Holding LLC amounting to AED 80,000,000, to finance future investments and other business operations. The loan is payable on demand, unsecured and carries interest at the rate of 1% per annum. During the year, the Group further obtained loan from IHC Food Holding LLC of AED 25,000,000, having a maturity of 31 December 2023. The loan is unsecured and carries interest at the rate of 1% per annum. During the year, the loan granted by IHC Food Holding LLC to a subsidiary acquired during the year was waived and recorded as contributed capital as resolved by IHC Food Holding LLC.

(ii) During the year, the Group obtained a loan from International Holding Company PJSC amounting to AED 100,000,000, to finance future investments and other business operations, having a maturity of 31 December 2022. The loan is unsecured and carries interest at the rate of 1% per annum.

Transactions with related parties entered during the year were as follows:

	2022 AED	*2021 AED*
Revenues		
Entities under common control	**238,536,469**	35,434,756
Other related parties	**374,083,114**	314,198,107
	612,619,583	349,632,863
Cost of goods sold		
Entities under common control	**9,442,260**	22,227,130
Other related parties	**6,090,505**	283,032
	15,532,765	22,510,162
Gain on disposal of investment in a joint venture to a related party (note 16)	**37,379,439**	-
Interest expense on loan from a related party	**1,942,392**	811,111
Interest expense on lease from a related party	**215,428**	-
Interest expense on borrowings from a financial institution	**3,239,742**	-
General and administrative expenses		
Entities under common control	**1,361,450**	-
Other related parties	**285,244**	-
	1,646,694	-

29 RELATED PARTY TRANSACTIONS AND BALANCES continued

Compensation of key management personnel
The remuneration of the key management personnel during the year was as follows:

	2022 AED	*2021 AED*
Management remuneration	**14,647,069**	2,969,336
Board of Directors remuneration (note 9)	**719,307**	-
Employees' end of service benefits	**558,394**	114,645
	15,924,770	3,083,981

30 CONTINGENT LIABILITIES AND COMMITMENTS

	2022 AED	*2021 AED*
Letter of credit and guarantees	**42,296,007**	25,743,964
Commitment for capital expenditures	**42,311,007**	1,152,150

The above letter of guarantees have been issued from a local bank in the ordinary course of business on which the bank charges a fee at the market rate.

The Group in the normal course of business is involved from time to time in litigations and claims from third parties. The Group undertakes periodic review of its potential exposure to litigations and claims made against it. The Group believes that no material liability will result from those litigations and claims that requires to be accrued for as of 31 December 2022.

The Group's share in contingencies and commitments of the associates and joint ventures is disclosed under note 16.

31 MATERIAL PARTLY-OWNED SUBSIDIARIES

Proportion of equity interest held by non-controlling interests:

Name	***Country of incorporation and operation***	***2022***	*2021*
Royal Horizon Holding LLC	United Arab Emirates	**40%**	40%
Abu Dhabi Vegetable Oil Company LLC	United Arab Emirates	**30%**	-
Apex Investment PSC	United Arab Emirates	**48.50%**	-
N.R.T.C Food Holding LLC	United Arab Emirates	**59%**	-

31 MATERIAL PARTLY-OWNED SUBSIDIARIES continued

	2022 *AED*	*2021* *AED*
Accumulated balances of material non-controlling interests:		
Royal Horizon Holding LLC	**28,680,517**	28,141,782
Abu Dhabi Vegetable Oil Company LLC	**31,372,553**	-
Apex Investment PSC	**993,621,599**	-
N.R.T.C Food Holding LLC	**217,622,103**	-
	1,271,296,772	28,141,782
Profit (loss) allocated to material non-controlling interests:		
Royal Horizon Holding LLC	**538,776**	2,085,732
Abu Dhabi Vegetable Oil Company LLC	**(4,315,152)**	-
Apex Investment PSC	**47,544,848**	-
Mirak Royal Nature Fruits & Vegetables LLC	**(532,767)**	-
N.R.T.C Food Holding LLC	**7,548,837**	-
	50,784,542	2,085,732

The summarised financial information of these subsidiaries is provided below. This information is based on amounts before inter-company eliminations.

Summarised statement of profit or loss of material partly-owned subsidiaries:

	2022						
	Royal Horizon AED	*ADVOC AED*	*Apex AED*	*Mirak AED*	*NRTC AED*	*Total AED*	*2021 AED*
Revenue	**269,065,886**	**234,400,763**	**583,672,768**	**102,926,694**	**200,007,541**	**1,390,073,652**	164,350,391
Cost of revenue	**(224,832,333)**	**(234,068,455)**	**(422,266,101)**	**(91,408,544)**	**(162,812,547)**	**(1,135,387,980)**	(135,797,767)
General and administrative expenses	**(40,021,095)**	**(17,367,206)**	**(62,982,416)**	**(16,022,113)**	**(26,841,805)**	**(163,234,635)**	(23,511,707)
Finance costs	**(3,755,446)**	**(884,039)**	**(993,185)**	**(548,180)**	**(16,227)**	**(6,197,077)**	(1,317,649)
Profit share from associates and joint Ventures	**-**	**-**	**(5,894,114)**	**-**	**-**	**(5,894,114)**	-
Finance and other income	**889,928**	**2,813,325**	**6,501,789**	**695,980**	**2,457,678**	**13,358,700**	1,491,062
Profit (loss) for the year	**1,346,940**	**(15,105,612)**	**98,038,741**	**(4,356,163)**	**12,794,640**	**92,718,546**	5,214,330
Attributable to non-controlling interests	**538,776**	**(4,315,151)**	**47,544,849**	**(532,770)**	**7,548,838**	**50,784,542**	2,085,732

Summarised statement of financial position of material partly-owned subsidiaries:

	2022					
	Royal Horizon AED	*ADVOC AED'000*	*Apex AED*	*NRTC AED*	*Total AED*	*2021 AED*
31 December						
Non-current assets	**86,254,551**	**69,094,418**	**600,296,996**	**272,572,909**	**1,028,218,874**	53,562,387
Current assets	**92,437,430**	**92,492,231**	**1,675,132,082**	**254,956,306**	**2,115,018,049**	79,044,919
Non-current liabilities	**(43,461,629)**	**(28,909,892)**	**(7,048,575)**	**(4,414,128)**	**(83,834,224)**	(31,290,504)
Current liabilities	**(63,529,059)**	**(28,101,579)**	**(219,930,025)**	**(154,264,087)**	**(465,824,750)**	(34,782,363)
Total equity	**71,701,293**	**104,575,178**	**2,048,450,478**	**368,851,000**	**2,593,577,949**	66,534,439
Attributable to:						
Equity holders of parent	**43,020,776**	**73,202,625**	**1,054,828,867**	**151,228,909**	**1,322,281,177**	38,392,657
Non-controlling interest	**28,680,517**	**31,372,553**	**993,621,611**	**217,622,091**	**1,271,296,772**	28,141,782

31 MATERIAL PARTLY-OWNED SUBSIDIARIES continued

Summarised cash flow information of material partly-owned subsidiaries:

	2022					
	Royal Horizon AED	*ADVOC AED*	*Apex AED*	*NRTC AED*	*Total AED*	*2021 AED*
31 December 2021						
Operating	**(3,237,107)**	**6,002,071**	**203,532,636**	**9,757,961**	**216,055,561**	10,156,732
Investing	**(41,236,691)**	**(326,193)**	**(56,978,129)**	**3,265,551**	**(95,275,462)**	(2,676,538)
Financing	**30,999,889**	**3,163,909**	**(9,250,872)**	**(4,655,106)**	**20,257,820**	25,442,586
Net (decrease) increase in cash and cash equivalents	**(13,473,909)**	**8,839,787**	**137,303,635**	**8,368,406**	**141,037,919**	32,922,780

32 SEGMENT REPORTING

For operating purposes, the Group organised into business segments as follows:

Consumer goods	Includes retail and wholesale of traded and manufactured consumer products.
Catering	Offers catering services to public and private organizations in UAE.
Facility Management Services	Offers a range of facilities management services with customized solutions to various businesses across a variety of sectors.
Manufacturing	Engaged in the manufacturing and distribution of clinker and cements across UAE and internationally.
Contracting	Provides tents, shades and mobile halls to customers, building field hospitals and offers a wide range of services including planning, design consultancy and delivery of high end interiors.
Others (unallocated)	Includes head office expenses and income not allocated to any segment.

32 SEGMENT REPORTING continued

Description	***2022*** Consumer goods AED	*2021* Consumer goods AED	***2022*** Catering AED	*2021* Catering AED	***2022*** Facility management services AED	*2021* Facility management services AED	***2022*** Manufacturing AED	*2021* Manufacturing AED	***2022*** Contracting AED	*2021* Contracting AED	***2022*** Others AED	*2021* Others AED	***2022*** Inter segment eliminations AED	*2021* Inter segment eliminations AED	***2022*** Total AED	*2021* Total AED
Revenue from contract with customers	**1,820,131,902**	545,620,999	**300,364,173**	-	**119,782,029**	-	**50,833,202**	-	**134,126,108**	-	-	-	**(146,671,736)**	-	**2,278,565,678**	545,620,999
Cost of sales	**(1,598,216,834)**	(482,488,056)	**(199,526,335)**	-	**(69,818,077)**	-	**(64,894,024)**	-	**(109,517,611)**	-	-	-	**146,728,940**	-	**(1,895,243,941)**	(482,488,056)
Gross profit	**221,915,068**	63,132,943	**100,837,838**	-	**49,963,952**	-	**(14,060,822)**	-	**24,608,497**	-	-	-	**57,204**	-	**383,321,737**	63,132,943
General and administrative expenses	**(123,512,780)**	(34,948,532)	**(11,880,099)**	-	**(6,060,588)**	-	**(22,110,514)**	-	**(11,139,425)**	-	**(11,734,597)**	-	**(6,155,666)**	-	**(192,593,669)**	(34,948,532)
Selling and distribution expenses	**(48,757,786)**	-	-	-	-	-	-	-	-	-	-	-	-	-	**(48,757,786)**	-
Fair value gain on revaluation of previously held equity interest	**90,000,000**	-	-	-	-	-	-	-	-	-	-	-	-	-	**90,000,000**	-
Share of loss from investment in associates and joint ventures	**(15,964,658)**	-	-	-	-	-	-	-	-	-	**(5,894,114)**	-	**340,462**	-	**(21,518,310)**	-
Gain on disposal of an investment in a joint venture	**37,379,439**	-	-	-	-	-	-	-	-	-	-	-	-	-	**37,379,439**	-
Share of other comprehensive loss of a joint venture reclassified to profit or loss on disposal	**(7,077,215)**	-	-	-	-	-	-	-	-	-	-	-	-	-	**(7,077,215)**	-
Increase in fair value of investment carried at fair value through profit or loss	**64,721,761**	31,924,776	-	-	-	-	-	-	-	-	**2,277,482**	-	-	-	**66,999,243**	31,924,776
Other income	**36,156,695**	2,254,427	-	-	**1,544,418**	-	**(2,796,571)**	-	**23,581**	-	**5,017,839.**	-	**(2,171,627)**	-	**37,774,335**	2,254,427
Finance costs	**(14,257,463)**	(2,653,004)	**(213,122)**	-	**(76,995)**	-	**(687,509)**	-	**(14,126)**	-	**(1,432)**	-	**1,868,953**	-	**(13,381,694)**	(2,653,004)
Income Tax benefit	**356,205**	-	-	-	-	-	-	-	-	-	-	-	-	-	**356,205**	-
Profit for the year	**240,959,266**	59,710,610	**88,744,617**	-	**45,370,787**	-	**(39,655,416)**	-	**13,478,527**	-	**(10,334,822)**	-	**(6,060,674)**	-	**332,502,285**	59,710,610
Segment assets	**4,245,466,738**	1,488,815,044	**966,977,775**	-	**204,184,980**	-	**389,721,050**	-	**365,442,006**	-	**1,297,659,351**	-	**(2,103,235,828)**	-	**5,366,216,072**	1,488,815,044
Segment liabilities	**2,120,945,586**	525,484,596	**152,557,044**	-	**54,230,626**	-	**74,332,311**	-	**214,065,978**	-	**297,086,623**	-	**(1,344,115,589)**	-	**1,569,102,579**	525,484,596

33 FINANCIAL RISK MANAGEMENT

Capital management
The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts. There were no changes in the Group's approach to capital management during the year.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. net debt is calculated as total borrowings less cash and bank balances. Total capital is calculated as 'equity' as shown in the consolidated statement of financial position plus net debt.

	2022	*2021*
	AED	*AED*
Bank borrowings	**571,570,649**	75,202,694
Lease liabilities	**96,071,691**	28,774,845
Due to related parties	**152,643,336**	101,622,888
Trade and other payables	**513,238,234**	227,811,541
Loan from related parties	**205,000,000**	80,000,000
Cash and bank balances	**(469,437,620)**	(174,705,329)
Net debt	**1,069,086,290**	338,706,639
Equity attributable to owners of the Company	**2,525,816,721**	935,188,666
Net debt and equity (capital)	**3,594,903,011**	1,273,895,305
Debt/equity ratio	**0.30**	0.27

For the purpose of the Group's capital risk management, capital includes share capital, merger reserve, contributed capital, statutory reserve and retained earnings attributable to the equity holders of the Company.

Financial risk management objectives
The Group's finance department monitors and manages the financial risks relating to the operations of the Group. These risks include credit risk and liquidity risk. The Group does not enter into or trade in derivative financial instruments for speculative or risk management purposes.

Market risk management
Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk, such as commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

33 FINANCIAL RISK MANAGEMENT continued

Market risk management continued
Price risk
The Group is exposed to equity securities price risk because of quoted investments held by the Group. The Group's quoted investment portfolio amounted to AED 872,458,557 (2021: AED 82,747,019). At the reporting date if the prices of investments were 5% higher/lower with all other variables held constant, the Group's equity and profit or loss would have increased/decreased as follows:

	2022	*2021*
	AED	*AED*
Impact on the Group's profit for the year (increase/decrease)	**43,622,928**	4,137,351

Currency risk
Assets are typically funded in the same currency as that of the business being transacted to eliminate exchange exposures. Management believes that there is a minimal risk of significant losses due to exchange rate fluctuations in its UAE operations as most of its monetary assets and liabilities are denominated in UAE Dirhams and U.S Dollars. For its operations in Egypt the subsidiary is subject to exchange risk relating to its liabilities denominated in UAE Dirhams as follows:

	2022	*2021*
	AED	*AED*
Impact of 5% increase/ decrease in the exchange rate on the Group's OCI for the year (increase/decrease)	**8,484,149**	-

Interest rate risk
The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's bank borrowings with floating interest rates. At 31 December 2022, if interest rates on the bank borrowings had been 100 basis points lower/higher with all other variables held constant, profit for the year would have been increased or decreased by AED 5,715,706 (2021: AED 752,027).

Credit risk management
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group is exposed to credit risks from its operating activities (primarily for trade and other receivable and due from related parties) and from its financing activities, including bank balance and cash.

There are policies in place to ensure that services are rendered to customers with an appropriate credit history. The Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

33 FINANCIAL RISK MANAGEMENT continued

Liquidity risk management
Liquidity risk is the risk that the Group will be unable to meet its funding requirements. The maturity profile of financial liabilities is monitored by management to ensure adequate liquidity is maintained. The Group limits its liquidity risk by ensuring funds from partners and bank facilities are available.

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 table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows:

	1 year or less AED	*1 to 5 years AED*	*Over 5 years AED*	*Total AED*
At 31 December 2022				
Borrowings	**176,576,277**	**476,249,100**	**-**	**652,825,377**
Trade and other payables	**505,356,695**	**-**	**-**	**505,356,695**
Lease liabilities	**7,161,245**	**54,885,351**	**126,975,587**	**189,022,183**
Loan from related parties	**205,000,000**	**-**	**-**	**205,000,000**
Due to related parties	**152,643,336**	**-**	**-**	**152,643,336**
Total	**1,046,737,553**	**531,134,451**	**126,975,587**	**1,704,847,591**
At 31 December 2021				
Borrowings	34,961,914	42,739,405	-	77,701,319
Trade and other payables	224,971,585	-	-	224,971,585
Lease liabilities	1,884,122	7,858,932	70,134,898	79,877,952
Loan from a related party	80,000,000	-	-	80,000,000
Due to related parties	101,622,888	-	-	101,622,888
Total	443,440,509	50,598,337	70,134,898	564,173,744

34 FAIR VALUES MEASUREMENT

Fair value of the Group's assets that are measured at fair value on recurring basis
Some of the Group's financial assets and biological assets are measured at fair value at the end of the reporting period. The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable and gives information about how the fair value of these financial assets are determined.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

34 FAIR VALUES MEASUREMENT continued

The Group held the following financial instrument measured at fair value:

	***Fair value as at* 31 December 2022 AED**	*31 December 2021 AED*	***Fair value hierarchy***	***Valuation techniques and key inputs***	***Significant unobservable input***	***Relationship of unobservable inputs to fair value***
Financial assets:						
Quoted equity investments – investments carried at fair value through profit of loss	**688,809,736**	82,747,019	Level 1	Quoted bid prices in an active market.	None	Not applicable
Quoted equity investments – investments carried at fair value through other comprehensive income	**183,648,821**	-	Level 1	Quoted bid prices in an active market.	None	Not applicable
Unquoted equity investments – investments carried at fair value through other comprehensive income	**5,068,366**	-	Level 3	Discounted cash flow method and latest transaction price.	Net assets value	Higher the net assets value of the investees, higher the fair value.
Non-financial assets:						
Biological assets -fish and shrimps	**51,500,150**	-	Level 2	current market prices of similar type of assets	None	Not applicable

There were no transfers between each of levels during the year. There are no financial liabilities which should be measured at fair value and accordingly no disclosure is made in the above table.

35 COMPARATIVE FIGURES

Certain comparative figures have been reclassified, wherever necessary, to confirm to the presentation adopted in the current year consolidated financial statements. Such reclassification has no impact on previously reported profit or equity of the Group.