ESG Emirates Stallions Group PJSC and its Subsidiaries

DIRECTORS' REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2023

ESG Emirates Stallions Group PJSC and its Subsidiaries

DIRECTORS' REPORT

31 DECEMBER 2023

ESG Emirates Stallions Group PJSC

DIRECTORS' REPORT
For the year ended 31 December 2023

The Directors present their report together with the consolidated audited financial statements of ESG Emirates Stallions Group PJSC (the "Company") and its subsidiaries (together referred to as the "Group") for the year ended 31 December 2023.

Principal activities
The main activities of the Group are buying, selling, and dividing plots, development, management, sale and leasing of real estate and investment, institution, marketing and management of real estate, commercial, agricultural, tourist companies, general, technical, commercial, building, construction, afforestation, irrigation network, rainwater drainage network, sewerage network contracting services and other associated business, landscaping, gardening, disinfection, sterilization and street cleaning, irrigation services, agricultural materials, house and animal pesticides, natural or chemical fertilizers, seeds, plants and tree sapling retail and wholesale trading. The Group's activities also include architectural, engineering, projects management, real estate, administrative, marketing, economic feasibility , human resource and logistic consultancy, marketing operation management, supply of on demand labours, temporary employment, domestic workers mediation, onshore and offshore oil and gas fields and facilities services, interior design implementation, manufacturing and trading of house and office furniture, importing, exporting, commercial brokerage, hospitality services, hotel accommodation and hotel management.

Financial results
For the year ended 31 December 2023, the Group earned revenue of AED 609 million compared to AED 357 million in the previous year. The Group reported a profit for the year amounting to AED 687 million compared to AED 165 million in the previous year.

Release
A resolution proposing the reappointment of Ernst & Young as auditors of the Company for the year ending 31 December 2024 will be put to the shareholders at Annual General Meeting. The Directors release the management and the external auditors in connection with their duties for the year ended 31 December 2023.

On behalf of the Board of Directors

Director

Abu Dhabi

ESG Emirates Stallions Group PJSC and its Subsidiaries

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2023

Building a better working world

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

ESG EMIRATES STALLIONS GROUP PJSC

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of ESG Emirates Stallions Group PJSC (the "Company") and its subsidiaries (together referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2023 and the consolidated statement of profit or loss, 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 material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing *("ISAs")*. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with *International Codes of Ethics for Professional Accountants (including International Independence Standards)* (the "IESBA Code") together with the other ethical requirements that are relevant to our audit of the Group's 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

ESG EMIRATES STALLIONS GROUP 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 that revenue is material and an important determinant of the Group's performance and profitability. The Group recognises revenue from contracts with customers when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services (refer note 3 to the consolidated financial statements for the revenue recognition policy of the Group). During the year ended 31 December 2023, total revenue of the Group amounted to AED 609,355 thousand (2022: AED 357,434 thousand)

As applicable, 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 performed or involved component auditors to perform substantive audit procedures which included substantive analytical procedures at the Group, and subsidiary level and performed testing on samples of transactions around the year end, to assess whether revenues were recognised in the correct accounting period, and through out the year, to assess whether revenue was properly recognised.

Business combination of entities under common control
During the year, the Group acquired control over an entity under common control as disclosed in note 20.1 The acquisition was excluded from the scope of IFRS 3, as this represented business combination of an entity under common control, given that the Company and the acquired entity is controlled by the same ultimate shareholder before and after the acquisition. 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 acquisition has been accounted for in the consolidated financial statements using the pooling of interest method, which reflects the economic substance of the transaction and has resulted in a merger reserve of AED 139,268 thousand during 2023.

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 acquisition fulfilled the requirements of business combination under common control by inspecting evidence of ownership and reviewing the ownership structures before and after the acquisition, 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.

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

ESG EMIRATES STALLIONS GROUP PJSC continued

Report on the Audit of the Consolidated Financial Statements continued

Other information continued
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 the Board of Directors for the consolidated financial statements
Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards and in compliance with the applicable provisions of the Company's Articles of Association and the UAE Federal Law No. 32 of 2021, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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.

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

ESG EMIRATES STALLIONS GROUP 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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

ESG EMIRATES STALLIONS GROUP 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 2023:

i) the Group has maintained proper books of account;

ii) we have obtained all the information 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;

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

v) note 8 and 9 to the consolidated financial statements discloses purchases or investments in shares by the Group during the year ended 31 December 2023;

vi) note 13 to the consolidated financial statements of the Group discloses material related party transactions, the terms under which they were conducted; and

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 financial year ended 31 December 2023, any of the applicable provisions of the UAE Federal Law No. 32 of 2021 or of its Articles of Association which would materially affect its activities or its financial position as at 31 December 2023; and

viii) the Group has not made any social contributions during the year.

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

9 February 2024
Abu Dhabi

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2023

	Notes	2023 AED'000	2022 AED'000
ASSETS			
Non-current assets			
Property and equipment	5	**295,572**	83,176
Investment properties	6	**83,539**	-
Intangible assets and goodwill	7	**40,498**	198
Right-of-use assets	22	**70,294**	4,293
Investments in associates and joint ventures	8	**1,223,777**	46,124
Financial assets at fair value through other comprehensive income	9.1	**62,604**	62,399
Deferred tax assets	31	**401**	-
Trade and other receivables	14	**30,075**	37,417
Due from related parties	13	**950**	950
		1,807,710	234,557
Current assets			
Inventories	10	**116,797**	3,286
Development work in progress	11	**79,073**	-
Biological assets – plants	12	**-**	273
Financial assets at fair value through profit or loss	9.2	**45,864**	38,552
Due from related parties	13	**86,319**	183,416
Trade and other receivables	14	**346,799**	252,345
Cash and bank balances	15	**577,939**	432,032
		1,252,791	909,904
TOTAL ASSETS		**3,060,501**	1,144,461
EQUITY AND LIABILITIES			
Equity			
Share capital	17	**250,000**	250,000
Statutory reserve	18	**90,846**	23,705
Merger reserve		**834,657**	181,358
Currency translation reserve		**(251)**	(300)
Cumulative changes in fair value reserve		**26,112**	28,262
Fair value of cashflow hedges		**(3,471)**	-
Retained earnings		**805,095**	200,820
Equity attributable to the equity holders of the parent		**2,002,988**	683,845
Non-controlling interests	33	**284,952**	74,057
Total equity		**2,287,940**	757,902
Non-current liabilities			
Employees' end of service benefits	21	**41,198**	34,721
Deferred tax liabilities	31	**593**	-
Lease liabilities	22	**46,804**	4,094
Trade and other payables	23	**2,792**	2,719
Bank borrowings	24	**49,338**	-
Due to related parties	13	**2,520**	3,132
		143,245	44,666

CONSOLIDATED STATEMENT OF FINANCIAL POSITION continued
At 31 December 2023

	Notes	2023 AED'000	2022 AED'000
Current liabilities			
Due to related parties	13	**16,426**	31,302
Lease liabilities	22	**32,353**	1,322
Bank borrowings	24	**32,502**	-
Trade and other payables	23	**548,035**	309,269
		629,316	341,893
Total liabilities		**772,561**	386,559
TOTAL EQUITY AND LIABILITIES		**3,060,501**	1,144,461

Chairman

Chief Executive Officer

Chief Financial Officer

The attached notes 1 to 38 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the year ended 31 December 2023

	Notes	2023 AED'000	2022 AED'000
Continuing operations			
Revenue	25	**609,355**	357,434
Direct costs	26	**(441,746)**	(273,074)
GROSS PROFIT		**167,609**	84,360
General and administrative expenses	27	**(57,654)**	(36,964)
Selling and distribution expenses	28	**(27,994)**	-
Share of profit from investment in associates and joint ventures	8	**28,004**	10,735
Impairment on investment in associates and joint ventures	8	**(5,339)**	-
Gain from change in fair value of biological assets	12	**265**	330
Gain from change in fair value of financial assets fair value through profit or loss	9.2	**3,944**	54,818
Interest and other income	29	**13,450**	10,237
Gain on disposal of a subsidiary	20.3	**136,857**	-
Gain on disposal of an associate	37.1	**417,279**	-
Reversal of impairment	5 & 6	**8,781**	-
Finance costs	30	**(3,905)**	(780)
PROFIT BEFORE TAX FOR THE YEAR FROM CONTINUING OPERATIONS		**681,297**	122,736
Corporate income tax	31	**450**	-
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**681,747**	122,736
Discontinued operations			
Profit for the year from discontinued operations	37.2	**4,880**	42,494
PROFIT FOR THE YEAR		**686,627**	165,230
Attributable to:			
Equity holders of the parent company:			
Continuing operations		**668,000**	118,462
Discontinued operations		**3,416**	29,745
		671,416	148,207
Non-controlling interest:			
Continuing operations		**13,747**	4,275
Discontinued operations		**1,464**	12,748
		15,211	17,023
		686,627	165,230
Basic earnings per share (AED)	36	**2.69**	0.59
Basic earnings per share (AED) – continuing operations		**2.67**	0.47

The attached notes 1 to 38 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2023

	Notes	2023 AED'000	2022 AED'000
Profit for the year		**686,627**	165,230
Other comprehensive (loss) / income:			
Items that may be reclassified subsequently to the consolidated statement of profit or loss:			
Foreign exchange difference on translation of foreign operations		**49**	(192)
Share of fair value loss on cash flow hedges of an associate	8	**(3,471)**	-
		(3,422)	(192)
Items that will not be reclassified subsequently to profit or loss:			
Change in fair value of financial assets carried at fair value through other comprehensive income	9.1	**(2,150)**	(3,822)
Total other comprehensive loss for the year		**(5,572)**	(4,014)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**681,055**	161,216
Attributable to:			
Equity holders of the parent		**665,844**	144,193
Non-controlling interests		**15,211**	17,023
		681,055	161,216

The attached notes 1 to 38 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

	Attributable to equity holders of the Company									
	Share Capital AED'000	*Statutory reserve AED'000*	*Merger reserve AED'000*	*Currency translation reserve AED'000*	*Cumulative changes in fair value reserve AED'000*	*Fair value of cashflow hedges AED'000*	*Retained earnings AED'000*	*Equity attributable to the equity holders of the parent AED'000*	*Non-controlling interests AED'000*	*Total AED'000*
Balance at 1 January 2022	250,000	8,884	133,378	(108)	32,084	-	67,434	491,672	45,155	536,827
Profit for the year	-	-	-	-	-	-	148,207	148,207	17,023	165,230
Other comprehensive loss for the year	-	-	-	(192)	(3,822)	-	-	(4,014)	-	(4,014)
Total comprehensive income for the year	-	-	-	(192)	(3,822)	-	148,207	144,193	17,023	161,216
Transfer to statutory reserve	-	14,821	-	-	-	-	(14,821)	-	-	-
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(1,170)	(1,170)
Acquisition of an associate from an entity under common control (note 8)	-	-	28,544	-	-	-	-	28,544	-	28,544
Capital injection by non-controlling interest	-	-	-	-	-	-	-	-	90	90
Business combination of entities under common control (note 20.1 (b))	-	-	19,436	-	-	-	-	19,436	12,959	32,395
Balance at 31 December 2022	250,000	23,705	181,358	(300)	28,262	-	200,820	683,845	74,057	757,902
Balance at 1 January 2023	250,000	23,705	181,358	(300)	28,262	-	200,820	683,845	74,057	757,902
Profit for the year	-	-	-	-	-	-	671,416	671,416	15,211	686,627
Other comprehensive income / (loss) for the year	-	-	-	49	(2,150)	(3,471)	-	(5,572)	-	(5,572)
Total comprehensive income for the year	-	-	-	49	(2,150)	(3,471)	671,416	665,844	15,211	681,055
Transfer to statutory reserve	-	67,141	-	-	-	-	(67,141)	-	-	-
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(4,000)	(4,000)
Acquisition of subsidiaries (note 20.2)	-	-	-	-	-	-	-	-	10,846	10,846
Disposal of a subsidiary (note 20.3)	-	-	-	-	-	-	-	-	(59,667)	(59,667)
Capital injection by non-controlling interest	-	-	-	-	-	-	-	-	123,658	123,658
Acquisition of assets from entity under common control (note 19)	-	-	514,031	-	-	-	-	514,031	-	514,031
Business combination of entities under common control (note 20.1 (a))	-	-	139,268	-	-	-	-	139,268	124,847	264,115
Balance at 31 December 2023	**250,000**	**90,846**	**834,657**	**(251)**	**26,112**	**(3,471)**	**805,095**	**2,002,988**	**284,952**	**2,287,940**

The attached notes 1 to 38 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

31 December 2023

	Notes	2023 AED'000	2022 AED'000
OPERATING ACTIVITIES			
Profit before tax for the year – continuing operations		**681,297**	122,736
Profit before tax for the year – discontinued operations		**4,880**	42,494
Profit before tax		**686,177**	165,230
Adjustments for:			
Depreciation of property and equipment	5	**10,268**	6,824
Reversal of impairment loss on property and equipment	6	**(4,061)**	-
Reversal of impairment loss on investment properties	5	**(4,720)**	-
Gain on disposal of property and equipment		**(187)**	-
Depreciation on investment properties	6	**715**	846
Depreciation on right of use assets	22	**10,091**	1,418
Amortisation of intangible assets	7	**583**	714
Loss on lease modification & termination	22	**481**	-
Share of profit from associates and joint ventures	8	**(28,004)**	(10,735)
Impairment loss on investment in associate and joint ventures	8	**5,339**	-
Gain on change in fair value of biological assets	12	**(265)**	(330)
Provision for employees' end of service benefits	21	**8,093**	8,467
Reversal of provision for expected credit losses on trade and other receivables		**(1,038)**	(2,903)
Allowance for expected credit losses on due from related parties	13	**3,026**	1,624
Fair value gain on previously held equity interest	8	**(210)**	-
Gain on bargain purchase	20.2	**(825)**	-
Gain on disposal of a subsidiary	20.3	**(136,857)**	-
Gain on disposal of an associate	37.1	**(417,279)**	-
Gain on change in fair value of financial assets carried at fair value through profit or loss	9.2	**(5,330)**	(58,083)
Gain on disposal of investment properties	6	**-**	(5,700)
Interest and dividend income	29	**(8,509)**	(3,392)
Finance costs	30 & 37.2	**3,905**	1,036
		121,393	105,016
Working capital adjustments:			
Inventories	10	**11,045**	2,232
Development work in progress	11	**(35,048)**	-
Trade and other receivables	14	**(23,670)**	(66,615)
Due from related parties	13	**61,320**	(19,258)
Biological assets - plants	12	**538**	446
Trade and other payables	23	**160,338**	73,056
Due to related parties	13	**(97,683)**	4,960
Cash from operations		**198,233**	99,837
Employees' end of service benefits paid	21	**(6,952)**	(3,577)
Finance costs paid		**(2,288)**	(879)
Net cash from operating activities		**188,993**	95,381

CONSOLIDATED STATEMENT OF CASH FLOWS continued

31 December 2023

	Notes	2023 AED'000	2022 AED'000
INVESTING ACTIVITIES			
Cash acquired in business combination	20.1, 20.2	**21,735**	14,399
Cash paid for acquisition of assets	19	**(250,000)**	-
Purchase of property and equipment		**(13,636)**	(12,840)
Purchase of intangible assets	7	**(71)**	(544)
Net consideration received on disposal of a subsidiary	20.3	**209,620**	-
Proceeds from disposal of property and equipment		**1,660**	-
Proceeds from disposal of investment properties	6		5,700
Dividends received from associate and joint ventures	8	**7,409**	6,583
Purchase of financial assets carried at fair value through profit or loss	9.2	**(16,554)**	(18,693)
Disposal of financial assets carried at other comprehensive income	9.1	**352**	-
Proceeds from disposal of financial assets carried at fair value through profit or loss	9.2	**4,418**	87,795
Proceeds from disposal of an associate		**8,153**	-
Interest and dividends received		**8,509**	3,392
Movement in restricted cash	15	**(72,213)**	-
Movement in fixed deposits with original maturity more than three months	15	**(242,643)**	8,192
Net cash (used in) from investing activities		**(333,261)**	93,984
FINANCING ACTIVITIES			
Principal paid on lease liabilities	22	**(15,880)**	(1,464)
Proceeds from bank borrowings	24	**141**	-
Repayments of bank borrowings	24	**(4,556)**	-
Dividends paid to non-controlling interests		**(4,000)**	(1,170)
Capital injection by non-controlling interest		**-**	90
Net cash used in financing activities		**(24,295)**	(2,544)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		**(168,563)**	186,821
Cash and cash equivalents at beginning of the year	15	**349,085**	162,615
Effect of foreign exchange rate changes		**(386)**	(351)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	15	**180,136**	349,085
Non-cash transaction:			
Transfer of provision for employees' end of service benefit	21	**6**	(1,164)
Capital injection by non-controlling interest		**44,025**	-
Capital injection by non-controlling interest- Property and equipment		**79,486**	-
Capital injection by non-controlling interest – Due from related parties		**147**	-

The attached notes 1 to 38 form part of these consolidated financial statement.

1 GENERAL INFORMATION

ESG Emirates Stallions Group PJSC ("the Company") is a private joint stock company incorporated under the UAE Federal Law 32 of 2021. The registered office address of the Company is P.O. Box 32619, Abu Dhabi, United Arab Emirates.

These consolidated financial statements include the results of operations and financial position of the Company and its subsidiaries, associates and joint ventures (together referred to as the "Group").

The main activities of the Group are buying, selling, and dividing plots, development, management, sale and leasing of real estate and investment, institution, marketing and management of real estate, commercial, agricultural, tourist companies, general, technical, commercial, building, construction, afforestation, irrigation network, rainwater drainage network, sewerage network contracting services and other associated business, landscaping, gardening, disinfection, sterilization and street cleaning, irrigation services, agricultural materials, house and animal pesticides, natural or chemical fertilizers, seeds, plants and tree sapling retail and wholesale trading. The Group's activities also include architectural, engineering, projects management, real estate, administrative, marketing, economic feasibility , human resource and logistic consultancy, marketing operation management, supply of on demand labours, temporary employment, domestic workers mediation, onshore and offshore oil and gas fields and facilities services, interior design implementation, manufacturing and trading of house and office furniture, importing, exporting, commercial brokerage, hospitality services, hotel accommodation and hotel management.

International Holding Company PJSC is the Parent and Royal Group Holding LLC is the Ultimate Parent of the Company.

These consolidated financial statements of the Group for the year ended 31 December 2023, were approved and authorised by the board for issuance on 9 February 2024.

2.1 BASIS OF PREPARATION

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

The consolidated financial statements are presented in UAE Dirhams ("AED"), which is the functional currency of the Group and all the values are rounded to the nearest thousand (AED '000) except when otherwise indicated.

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 provision of the Company's Articles of Association and applicable requirements of laws of the United Arab Emirates.

2.2 CHANGES IN MATERIAL ACCOUNTING POLICIES - NEW AND AMENDED STANDARDS AND INTERPRETATIONS

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 2023. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- IFRS 17 Insurance Contracts
- Amendments to IAS 8 - Definition of Accounting Estimates
- Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies
- Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IAS 12 - International Tax Reform - Pillar Two Model Rules

The details of new and amended standards that are relevant to the Group are detailed as below.

2.2 CHANGES IN MATERIAL ACCOUNTING POLICIES - NEW AND AMENDED STANDARDS AND INTERPRETATIONS continued

Making Materiality Judgements - Disclosure of Accounting Policies
The Group has adopted the amendments to IAS 1 for the first time in the current year. The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

2.3 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.

- Amendments to IFRS 16: Lease Liability in a Sale and Leaseback
- Amendments to IAS 1 - Classification of Liabilities as Current or Non-current
- Amendments to IAS 7 and IFRS 7 - Supplier Finance Arrangements

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.

2.4 BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (the "Group") as at 31 December 2023.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

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

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.

2.4 BASIS OF CONSOLIDATION continued

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.

2.4 BASIS OF CONSOLIDATION continued

Details of the Company's subsidiaries are as follows:

Nos.	*Name of subsidiaries*	*Ownership percentage* **2023**	2022	*Place of incorporation*	*Principal activities*
1	ESG Holding-Sole Proprietorship LLC	**100%**	100%	UAE	Management services of companies and private institutions, land and real estate purchase and sale.
2	Abu Dhabi Land General Contracting LLC	**100%**	100%	UAE	Technical, building construction & maintenance contracting, general contracting, and associated business.
3	Royal Architect Project Management LLC	**100%**	100%	UAE	Architectural engineering consultancy, construction projects management consultancy.
4	Royal Development Company LLC	**100%**	100%	UAE	'Real estate development construction, real estate enterprise investment, development, institution and management, lease management, marketing, economic feasibility, and real estate consultancy.
5	ESG Companies Management-Sole Proprietorship LLC	**100%**	100%	UAE	Management services of the companies and private institutions, commercial enterprises investment, institution, and management.
6	Gulf Dunes Landscaping and Agricultural Services Company LLC	**100%**	100%	UAE	Landscape, gardening, agricultural pest control, disinfection and sterilization services, rain water drainage, sewerage and irrigation network, afforestation and mechanical contracting.
7	Century Real Estate Investment LLC	**87%**	87%	UAE	Real estate management
8	Royal Development Company d.o.o Beograd-Vracar	**100%**	100%	Serbia	Hotel accommodation.
9	ESG Capital Holding LLC	**100%**	100%	UAE	Commercial enterprises investment, institution, and management
10	Century Village Real Estate Investment L.L.C	**70%**	70%	UAE	Real estate lease and management services, development construction, facilities management services. Commercial enterprises investment, institution, and management. Real Estate enterprise investment, development, institution, and management.
11	ESG Agro LLC	**100%**	100%	UAE	Agricultural Enterprises Investment, Institution and Management
12	ESG Hospitality Sole Proprietorship LLC (formerly known as "Gulf Dunes Real Estate Investments LLC")	**100%**	100%	UAE	Hospitality Services
13	Vision Furniture & Decoration Factory L.L.C	**60%**	60%	UAE	House & office furniture manufacturing, Fireproof wooden doors manufacturing, Onshore & offshore oil & gas fields and facilities.

2.4 BASIS OF CONSOLIDATION continued

Nos.	*Name of subsidiaries*	*Ownership percentage*		*Place of incorporation*	*Principal activities*
		2023	*2022*		
14	Progressive Real Estate Development LLC (i) (PRED)	**80%**	-	UAE	Real estate enterprise investment, development, institution and management
15	Tri Star Investment LLC (i)	**100%**	-	UAE	Commercial Brokers, Commercial enterprises investment, institution, and management Real estate investment, development, institution and management
16	ESG Commercial International Investments - Sole Proprietorship L.L.C. (iii)	**100%**	-	UAE	Commercial Enterprises Investment, Institution and Management, Tourist Enterprises Investment, Institution and Management
17	Century human resources and logistics - L.L.C. - O.P.C (iii)	**100%**	-	UAE	Human Resources Consultancy, Logistics Consultancy
18	WFC Holding LLC (ii) (note 20.2)	-	70%	UAE	Commercial enterprises Investment, Institution and Management.
19	Reach B P O - L.L.C - O.P.C (formerly "Workforce Connexion LLC - Sole Proprietorship LLC") (ii)	-	100%	UAE	Supply of on-demand labours, human service delivery of medical cadres and onshore and offshore oil and gas fields and facilities services.
20	Multi Serve Typing and Transactions Follow Up - Sole Proprietorship LLC (ii)	-	100%	UAE	Typing, documents photocopying, and transactions follow up services.
21	Tamouh Integrated Business Services - Sole Proprietorship LLC (ii)	-	100%	UAE	Marketing, Procurement, Human Resources, Administrative, Legal & Information Technology Consultancy, Call Centers Services.
22	Corporate Solutions Consultants - Sole Proprietorship LLC (ii)	-	100%	UAE	Human resources and administrative consultancy, onshore and offshore oil and gas fields and facilities services.
23	Reach Energy - L.L.C - O.P.C (formerly "Connect Outsourcing Temporary Employment – Sole Proprietorship LLC") (ii)	-	100%	UAE	Upon Request Employees Provision Services & Onshore & Offshore Oil & Gas Fields and Facilities Services
24	United International Group for Manpower Services LLC (i)	**51%**	-	UAE	'Domestic workers mediation and temporary employment services, onshore and offshore oil and gas fields and facilities services, and upon request employees provision services.
25	Howdra Employment Services LLC (i)	**100%**	-	UAE	On Demand Labors Supply Temporary Employment
26	Career Line For Employment - Sole Proprietorship LLC (i)	**100%**	-	UAE	Upon Request Employees Provision Services and Onshore and Offshore Oil and Gas Fields and Facilities Services
27	Alpha Hub Domestic Workers Services Center LLC (i)	**100%**	-	UAE	Domestic Workers Mediation Temporary Employment and Services.
28	Royal dunes real estate development LLC (iii)	**51%**	-	UAE	Real Estate Development

2.4 BASIS OF CONSOLIDATION continued

Nos.	*Name of subsidiaries*	*Ownership percentage*	*Place of incorporation*	*Principal activities*
29	Royal luxury hotel management LLC (iii)	**51%** -	UAE	Hotel Management
30	Afkar Financial & Property Investments LLC (i)	**60%** -	UAE	Retail trade of household and office furniture, mats, curtain and upholstery materials and interior decoration materials, and companies representation, commercial enterprises investment institution and management, real estate enterprises investment, development, institution and management.
31	OC Home Furniture LLC (i)	**100%** -	UAE	Retail trade of household and office furniture, mats, wall paper, curtain and upholstery materials and interior decoration materials
32	2XL Home LLC (i)	**100%** -	UAE	Retail trade of household and office furniture, mats, wall paper, curtain and upholstery materials and interior decoration materials
33	2XL Furnishings LLC (i)	**100%** -	UAE	Retail trade of household and office furniture, mats, wall paper, curtain and upholstery materials and interior decoration material

(i) Subsidiaries acquired during the year
(ii) WFC Holding LLC and its subsidiaries disposed during the year
(iii) Subsidiaries established during the year

3 MATERIAL ACCOUNTING POLICY INFORMATION

Revenue recognition
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.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Revenue recognition continued
The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

a) The Group's performance does not create an asset with an alternate use to the Group and the Group has as an enforceable right to payment for performance completed to date.
b) The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
c) The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

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.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to the which the Group expects to be entitled in exchange for those goods or services. The Group recognises revenue when amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described above. The Group bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Contract revenue
Contract revenue comprises revenue from execution of contracts relating to construction activities. . 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. These amounts are recognised when all significant service obligations arising from the related services have been discharged.

If the outcome of a contract can be estimated reliably, contract revenue is recognised in consolidated statement of profit or loss in proportion to the stage of completion of the contract. Based on the method that most reliably measures the actual work performed on each contract, the stage of completion is determined either on the basis of surveys of work performed or in the proportion of the contract costs incurred for work performed to date as compared to the estimated total contract costs. 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.

Manpower & labour supply revenue
The Group recognises revenue from provision of manpower to its customers along with other management and consultancy services when the services are rendered to customers and on the basis of the contractual labour and other consultancy rates agreed with the customers. Revenue from domestic workers mediation and provision of temporary employment services is recognised on the basis of contractual rates as labour hours are delivered and direct expenses are incurred and is stated net of discounts and rebates allowed.

Furniture manufacturing
The Group recognises revenue from contracts with customers for manufacturing of household and office furniture and other related carpentry and woodwork. This includes the initial amount agreed in the contract plus any variations in contract work, claims and incentives payments, to the extent that it is probable that they will result in revenue and can be measured.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Revenue recognition continued

Furniture retail

The Group recognizes revenue from retail trade of household, office furniture and interior decoration material at point in time when control of goods has transferred, being when the goods have been shipped to customer's specific location. Revenue is stated net of expected discounts and other allowances.

Rental income

The Group enters into operating leases for its investment property. Rental income from such operating leases is recognised on a straight-line basis over the term of the relevant lease. 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.

Services

Revenue from services is recognised as the services are rendered. Revenue is recognised only when it is probable that the economic benefits associated with the transaction will flow to the Group. Revenue from services is stated net of rebates and other allowances.

Dividend income

Dividend income is recognised in profit or loss when the Group's right to receive the dividends is established.

Interest income

Interest income is recognised as the interest accrues using the effective interest method.

Maintenance services

The Group enters into maintenance arrangements for maintenance of landscaping. Revenue relating to maintenance services is recognised over time. The transaction price is straight lined over the period of service.

Financial instruments

i). Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition as financial assets at fair value through profit or loss, fair value through OCI or amortised cost. All financial assets are recognised initially at fair value plus in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. The Group's financial assets comprise trade and other receivables, amounts due from related parties and bank balances.

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. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace are recognised on the trade date, which is the date that the Group commits to purchase or sell the asset.

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.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Financial instruments continued

i). Financial assets continued

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

a) Financial assets at amortised cost (trade and other receivables, amounts due from related parties and cash and bank balances);
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); and
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 which are classified at amortised cost include trade and other receivables, amounts due from related parties and bank balances.

Financial assets at fair value through OCI (debt instruments)
A financial asset is measured at fair value through other comprehensive income, if both of the following conditions are met:

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

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the consolidated statement of comprehensive income and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Group does not have any debt instruments at fair value through OCI.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Financial instruments continued

i). 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.

The Group have equity investments under this category (note 9).

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value.

Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

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.

Derecognition of financial assets
The Group derecognises a financial asset only when:

- the contractual rights to the cash flows from the asset expire; or
- it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset.

ii). Financial liabilities

All financial liabilities are classified as subsequently measured at amortised cost, except for:

- financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, are subsequently measured at fair value;
- financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies;
- financial guarantee contracts; and
- commitments to provide a loan at a below-market interest rate.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Financial instruments continued

ii). Financial liabilities continued

At initial recognition, the Group may irrevocably designate a financial liability as measured at fair value through profit or loss when permitted, or when doing so results in more relevant information, because either:

- it eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as 'an accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases; or
- a financial liability is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the Group is provided internally on that basis to the entity's key management personnel.

Derecognition of financial liabilities
The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

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.

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 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.

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 (if any).

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

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

Depreciation is charged so as to write off the cost over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. Useful life used for this purpose are as follows:

	Years
Buildings	3 – 30
Leasehold improvement	7
Machinery and equipment	5 – 7
Furniture, fixtures and office equipment	2 – 5
Motor vehicles	5

Land is not depreciated. In the case of leasehold improvements, it is expected that the underlying lease will continue to be renewed over the useful life and therefore, depreciation is charged over the useful life of the leasehold improvements.

The Group assesses, at each reporting date, whether there is an indication that the carrying value of property and equipment may be impaired. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the consolidated statement of profit or loss.

Capital work in progress
Properties or assets in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes all direct costs attributable to the design and construction of the property including related staff costs. When the assets are ready for intended use, the capital work in progress is transferred to the appropriate property, and equipment category and is depreciated in accordance with the Group's policies.

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 profit or loss 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 profit or loss.

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.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Intangible assets continued
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 profit or loss.

Customer relationship
Customer relationship represents future economic benefits in the form of future business with a customer beyond the amount secured by any current contractual arrangements. 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 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 3 to 4 years.

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

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

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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

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

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

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

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

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

- When VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, 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.

Foreign currencies
Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. All differences are taken to the consolidated statement of profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Employees' end of service 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.

A provision is made for the full amount of end of service benefits due to employees in accordance with the 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 disclosed as a current liability, while the provision relating to end of service benefits is disclosed as a non-current liability. The effect of actuarial valuation is not material.

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.

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.

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.

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 asset.

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.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Leases continued
Group as a lessee continued

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 the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because 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 lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

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 that are considered to be 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.

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 profit or loss 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.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Investment in associates and joint ventures continued
The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of consolidated the statement of profit or loss.

The financial statements of the associate or joint venture are prepared for the same reporting period as he 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 from investment in associates and a joint venture' in the consolidated statement of profit or loss.

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.

Investment properties
Initial recognition and measurement
Investment properties, which are properties held to earn rentals and/or for capital appreciation, are measured initially at cost, including transaction costs.

Subsequent measurement
Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the consolidated statement of profit or loss in the period in which they arise. Fair values are determined based on an annual valuation performed by an external independent valuer.

Derecognition
Investment properties are derecognised either when they have been disposed of (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in consolidated statement of profit or loss in the period of derecognition. In determining the amount of consideration from the derecognition of investment property, the Group considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

Transfer
Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use.

Depreciation is computed using the straight line method at rates calculated to reduce the cost of investment properties to their estimated residual values. Land is not depreciated. The estimated useful life is as follows:

Buildings	30 years

Land granted to the Group without consideration is carried at nominal value.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Acquisition of entities under common control
For transactions involving entities under common control, the Group adopts the pooling of interest method. Under the pooling of interest method, the carrying value of assets and liabilities are used to account for these transactions. No goodwill is recognised as a result of the combination. The only goodwill recognised is any existing goodwill relating to either of the combining entities. Any difference between the consideration paid and the business 'acquired' is reflected within the equity. The Group applies the pooling of interest prospectively and, accordingly, comparative information is not restated in the consolidated financial statements. Please refer to note 20 for the disclosure of business combination involving entity under common control and acquisition of non-controlling interest.

Development work in progress
Development work-in-progress consists of property being developed principally for sale and is stated at the lower of cost and net realisable value. Cost comprises all direct costs attributable to the design and construction of the property and, where applicable, the cost of land upon which the property is being developed. Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

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

Expected to be realised or intended to be sold or consumed in the normal operating cycle;

a) Held primarily for the purpose of trading;
b) Expected to be realised within twelve months after the reporting period; or
c) 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:

a) It is expected to be settled in the normal operating cycle;
b) It is held primarily for the purpose of trading;
c) It is due to be settled within twelve months after the reporting period; or
d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Inventories
Materials and consumables are stated at the lower of weighted average cost and net realisable value. Cost includes all costs incurred in bringing inventory to its present condition and location. Net realizable value represents the estimated selling price less all estimated costs to be incurred in marketing, selling and distribution.

Allowance is made when necessary for obsolete, slow-moving and damaged items.

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.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Taxation continued

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.

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.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Fair value measurement
The Group measures financial instruments, such as financial assets through other comprehensive income, at fair value at each 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.

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, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised 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 recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (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.

Biological assets
Biological assets are represented by plants and are measured on initial recognition and at end of each reporting period at fair value less estimated costs to sell. The fair values are determined based on current market prices of the trees of similar type and age. 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 the consolidated statement of comprehensive income in the period in which it arises.

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 material 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:

Provision for expected credit losses of financial assets
The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The allowance 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 etc.).

The allowance 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.

At the reporting date, gross trade receivables, contract assets and due from related parties were AED 175,360 thousand, AED 113,309 thousand and AED 101,758 thousand respectively (2022: AED 113,686 thousand, AED 112,730 and AED 200,441 thousand, respectively) and the allowance for expected credit losses for trade receivables, contract assets and due from related parties were AED 66,209 thousand , AED 5,541 thousand and AED 14,489 thousand respectively (2022: AED 36,300 thousand, AED 8,096 thousand and AED 16,075 thousand respectively). Any difference between the amounts actually collected in future periods and the amounts expected will be recognised in the consolidated statement of profit or loss.

Allowance for inventory obsolescence
The Group reviews the underlying costs, ageing and movements of its inventories to assess losses due to any deterioration in the market and obsolescence on a regular basis. In determining whether an allowance should be recorded in the consolidated statement of profit or loss, the Group makes judgments as to whether there is any observable data indicating that there is any future market for the product and the net realisable value for such product.

At the reporting date, gross inventories were AED 123,397 thousand (2022: AED 4,554 thousand) with an allowance for slow moving inventories of AED 6,600 thousand (2022: AED 1,268 thousand).

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS continued

Key estimates and assumptions continued

Useful lives and residual values of property and equipment

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

Impairment of investment in associate and joint ventures

Management regularly reviews its investment in associate and joint ventures for indicators of impairment. This determination of whether investment in associate and joint ventures are impaired entails management's evaluation of the specific investee's profitability, liquidity, solvency and ability to generate operating cash flows from the date of acquisition and until the foreseeable future. The difference between the estimated recoverable amount and the carrying value of investment is recognised as an expense in consolidated statement of profit or loss. Based on management's assessment, the Group has recorded impairment loss of AED 5,339 thousand (2022: nil).

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 judgement 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.

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 an 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 2023 and the carrying values of goodwill and intangible assets with infinite useful lives are fully recoverable (31 December 2022: nil).

Critical accounting judgments in applying accounting policies

In the process of applying the Group's material 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

Determining the lease term of contracts with renewal and termination options – Group as lessee

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension, automatic renewal options are only included in the lease term if the lease is reasonably certain to be extended.

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS continued

Critical accounting judgments in applying accounting policies continued

Business combinations

For every acquisition, the Group performs an assessment to determine whether the transaction represents an acquisition of assets or business. In cases where the acquisition is determined to be a business then the Group performs certain additional procedures, as mentioned below, to conclude whether the business combination is within the scope of IFRS 3 – Business Combinations (IFRS 3) or the business combination is under common control which is outside the scope of IFRS 3:

- consider the total shareholding of the Group in the acquiree (investee), owned either directly, indirectly or through beneficial ownership, prior to the acquisition;
- determine whether the Group exerts control or de-facto control over the investee in accordance with IFRS 3.

Further, the Group also performs an assessment of the reliability of acquisition date fair value of the acquiree's equity interests to determine if this value may be more reliably measurable than the acquisition date fair value of the acquirer's equity interests.

Classification of investments

Management designates at the time of acquisition of securities whether these should be classified as at fair value through other comprehensive income ("FVTOCI"), fair value through profit or loss ("FVTPL") or amortised cost. In making a judgement whether investments in securities are as at FVTOCI, FVTPL or amortised cost, management has considered the detailed criteria for determination of such classification as set out in IFRS 9 Financial Instruments. Management is satisfied that its investments in securities are appropriately classified.

Determination of transaction prices

The Group is required to determine the transaction price in respect of each of its contracts with customers. In making such judgment the Group assesses the impact of any variable consideration in the contract, due to discounts or penalties, the existence of any significant financing component and any non-cash consideration in the contract.

In determining the impact of variable consideration, the Group uses the "most-likely amount" method in IFRS 15 whereby the transaction price is determined by reference to the single most likely amount in a range of possible consideration amounts.

Classification of properties

In the process of classifying properties, management has made various judgments. Judgment is needed to determine whether a property qualifies as an investment property or property and equipment. The Group develops criteria so that it can exercise that judgment consistently in accordance with the definitions of investment properties or property and equipment. In making its judgment, management considered the detailed criteria and related guidance for the classification of properties as set out in International Accounting Standards IAS 16 – Property, Plant and Equipment and IAS 40 – Investment Property, in particular, the intended usage of property as determined by management.

5 PROPERTY AND EQUIPMENT

	Land *AED'000*	*Building and leasehold improvements* *AED'000*	*Plant and equipment* *AED'000*	*Furniture and fixtures* *AED'000*	*Motor vehicles* *AED'000*	*Capital work in progress* *AED'000*	*Total* *AED'000*
2023							
Cost:							
Balance at 1 January 2023	39	81,645	44,055	10,943	12,915	3,046	152,643
Acquired in business combinations (note 20.1)	44,600	207,020	3,599	36,180	13,875	8,424	313,698
Additions	80,599	706	3,653	1,726	2,196	4,242	93,122
Disposals	-	(2,110)	(893)	(1,246)	(1,776)	-	(6,025)
Reclassification	1,335	(1,250)	719	(1,122)	(18)	336	-
Exchange differences	-	50	-	6	-	-	56
Derecognition on disposal of a subsidiary (note 20.3)	-	(59,718)	-	(4,204)	-	(2,912)	(66,834)
As at 31 December 2023	**126,573**	**226,343**	**51,133**	**42,283**	**27,192**	**13,136**	**486,660**
Accumulated depreciation and impairment:							
Balance at 1 January 2023	-	14,438	36,326	6,942	11,761	-	69,467
Acquired in business combinations (note 20.1)	-	91,268	3,491	21,402	9,074	-	125,235
Charge for the year	-	4,888	1,938	2,426	1,016	-	10,268
Reclassification	-	-	620	(644)	24	-	-
Related to disposals	-	(1,765)	(200)	(864)	(1,723)	-	(4,552)
Exchange differences	-	-	-	(379)	-	-	(379)
Derecognition on disposal of a subsidiary (note 20.3)	-	(2,847)	-	(2,043)	-	-	(4,890)
Reversal of impairment loss	-	(4,061)	-	-	-	-	(4,061)
As at 31 December 2023	-	101,921	42,175	26,840	20,152	-	191,088
Net carrying amount:							
As at 31 December 2023	**126,573**	**124,422**	**8,958**	**15,443**	**7,040**	**13,136**	**295,572**

5 PROPERTY AND EQUIPMENT continued

	Land *AED'000*	*Building and Leasehold improvements* *AED'000*	*Plant and equipment* *AED'000*	*Furniture and fixtures* *AED'000*	*Motor vehicles* *AED'000*	*Capital work in progress* *AED'000*	*Total* *AED'000*
2022							
Cost:							
At 1 January 2022	39	5,461	21,784	7,266	9,641	61,374	105,565
Acquired in business combination (note 20.1(b))	-	15,763	18,401	1,190	2,832	-	38,186
Additions	-	2,639	3,870	1,802	442	4,087	12,840
Disposals	-	(173)	-	(384)	-	-	(557)
Transfer from capital work in progress	-	61,255	-	595	-	(61,850)	-
Reclassification	-	(3,111)	-	451	-	(330)	(2,990)
Write off	-	-	-	(10)	-	(235)	(245)
Foreign exchange differences	-	(189)	-	33	-	-	(156)
At 31 December 2022	39	81,645	44,055	10,943	12,915	3,046	152,643
Accumulated depreciation:							
At 1 January 2022	-	1,197	20,754	4,648	8,849	-	35,448
Acquired in business combination (note 20.1(b))	-	10,048	14,364	421	2,635	-	27,468
Charge for the year	-	3,368	1,208	1,971	277	-	6,824
Reclassification	-	-	-	287	-	-	287
Related to disposals	-	(173)	-	(384)	-	-	(557)
Foreign exchange differences	-	(2)	-	(1)	-	-	(3)
At 31 December 2022	-	14,438	36,326	6,942	11,761	-	69,467
Net carrying amounts:							
At 31 December 2022	39	67,207	7,729	4,001	1,154	3,046	83,176

5 PROPERTY AND EQUIPMENT continued

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

	2023 AED'000	*2022 AED'000*
Direct cost (note 26)	**4,820**	2,694
General and administrative expenses (note 27)	**948**	935
Selling and distribution expenses (note 28)	**3,580**	-
Discontinued operations (note 37)	**920**	3,195
	10,268	6,824

6 INVESTMENT PROPERTIES

	Land AED'000	*Buildings AED'000*	*Total AED'000*
2023			
Cost:			
At 1 January	-	-	-
Acquired in business combinations (note 20.1(a))	7,554	85,036	92,590
At 31 December	**7,554**	**85,036**	**92,590**
Accumulated depreciation and impairment:			
At 1 January	-	-	-
Acquired in business combinations (note 20.1(a))	155	12,901	13,056
Charge for the year	-	715	715
Impairment loss / (reversal) for the year	400	(5,120)	(4,720)
At 31 December	**555**	**8,496**	**9,051**
Carrying amount:			
At 31 December	**6,999**	**76,540**	**83,539**
2022			
Cost:			
At 1 January	-	69,876	69,876
Disposal during the year	-	(69,876)	(69,876)
At 31 December	-	-	-
Accumulated depreciation:			
At 1 January	-	69,030	69,030
Charge for the year	-	846	846
Disposal during the year	-	(69,876)	(69,876)
At 31 December	-	-	-
Carrying amount:			
At 31 December	-	-	-

As at 31 December 2023, land includes plots of land granted to the subsidiary by the Government of Abu Dhabi recorded at a nominal value of AED 1. Fair value of land and buildings at 31 December 2023 amounted to AED 101,300 thousand.

6 INVESTMENT PROPERTIES continued

Rental income recognized from leased investment properties is disclosed in Note 29.

Buildings as of 31 December 2022 were constructed on a plot of land leased from a related party and represented the cost of constructing four labour camps in Reem Island, Abu Dhabi. During the previous year, the Group has disposed of the building for a consideration of AED 5,700 thousand.

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

	2023 ***AED'000***	*2022* *AED'000*
General and administrative expenses (note 27)	**715**	846

7 INTANGIBLE ASSETS AND GOODWILL

	Computer software AED'000	*Customer relationships AED'000*	*Goodwill AED'000*	*Total AED'000*
2023				
Cost:				
At 1 January	609	-	-	609
Additions during the year	71	-	-	71
Acquired in business combinations (note 20.2)	-	7,139	33,844	40,983
Derecognition on disposal of a subsidiary (note 20.3)	(199)	-	-	(199)
At 31 December	**481**	**7,139**	**33,844**	**41,464**
Accumulated amortisation:				
At 1 January	411	-	-	411
Charge for the year	34	549	-	583
Derecognition on disposal of a subsidiary (note 20.3)	(28)	-	-	(28)
At 31 December	**417**	**549**	**-**	**966**
Carrying amount:				
At 31 December	**64**	**6,590**	**33,844**	**40,498**
2022				
Cost:				
At 1 January	65	-	-	65
Transfer from property and equipment	330	-	-	330
Additions during the year	544	-	-	544
Disposals	(330)	-	-	(330)
At 31 December	609	-	-	609
Accumulated depreciation:				
At 1 January	27	-	-	27
Charge for the year	714	-		714
Disposals	(330)	-	-	(330)
At 31 December	411	-	-	411
Carrying amount:				
At 31 December	198	-	-	198

7 INTANGIBLE ASSETS AND GOODWILL continued

Goodwill
Goodwill primarily comprises sales growth, new customers and expected synergies arising from the acquisitions.

Customer relationship
These represent long term non-contractual relationships which were acquired in a business combination (note 20.2) and meet the criteria for recognition as intangible assets under IAS 38 and are being amortized over 3.25 years.

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

	2023 AED'000	*2022 AED'000*
General and administrative expenses (note 27)	**573**	366
Discontinued operations (note 37)	**10**	348
	583	714

8 INVESTMENTS 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 percentage*	
Associates			***2023***	*2022*
Abu Dhabi Mountain Gate Property Investment LLC ("ADMG") (i)	Real estate enterprise investment, development, institution, and management.	UAE	-	57%
Deco Vision Company – WLL ("Deco)	Interior design implementation works (decor), retail sale of wallpaper, decor and partitions material and importing.	UAE	**45%**	45%
KIZAD Communities Development & Services Company LLC ("Kizad") (note 21.1)	Real Estate Lease And Management Services, Commercial Enterprises Investment, Institution and Management	UAE	**23.91%**	-
Joint ventures				
Lazio Real Estate Investment LLC ("Lazio") (ii)	Real estate enterprise investment, development, institution, and management	UAE	**65%**	65%
Deyafah Holding Limited	SPV Special Purpose Vehicle	UAE	**50%**	50%
Progressive Real Estate Development LLC ("PRED")	Real estate enterprise investment, development, institution and management	UAE	-	70%

(i) During the year, the liquidation of Abu Dhabi Mountain Gate Property Investment LLC was completed, and the entity was formally dissolved. The liquidation did not result in any gain or loss.

(ii) In 2018, the Directors of Lazio Real Estate Investment LLC had elected to liquidate the company. As of 31 December 2023, the liquidation process is still on going.

8 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES continued

On 1 January 2023, the Group obtained control over Progressive Real Estate Development LLC and accordingly, the investment in joint venture was derecognised and the fair value of the previously held interest was transferred to investment in subsidiaries as follows:

	(Unaudited) ***AED'000***
Fair value of previously held equity interest	**5,781**
Carrying value of previously held equity interest	**(5,571)**
Fair value gain on revaluation of previously held equity interest	**210**

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

	2023 ***AED'000***	*2022* *AED'000*
Balance at the beginning of the year	**46,124**	9,758
Share of the Group's profit for the year	**28,004**	10,735
Share of other comprehensive loss for the year	**(3,471)**	-
Acquisition of entities under common control during the year	**-**	28,544
Addition during the year (note 37.1)	**1,171,439**	3,670
Impairment of investment in associates and joint ventures	**(5,339)**	-
Dividend received during the year	**(7,409)**	(6,583)
Transfer to subsidiary during the year	**(5,571)**	-
At the end of the year	**1,223,777**	46,124

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

	ADMG *AED'000*	*Lazio* *AED'000*	*DECO* *AED'000*	*KIZAD* *AED'000*	*Deyafah* *AED'000*	***31 December 2023 Total*** ***AED'000***	*31 December 2022 Total* *AED'000*
Total assets	156	332	255,365	5,607,498	11,536	**5,874,887**	244,885
Total liabilities	-	(24)	(168,393)	(1,193,612)	(1,258)	**(1,363,287)**	(148,391)
Net assets	156	308	86,972	4,413,886	10,278	**4,511,600**	96,494
Group's carrying amount of the investment	89	200	39,137	1,184,640	5,139	**1,229,205**	46,124
Dividend on liquidation	(89)	-	-	-	-	**(89)**	-
Impairment	-	(200)	-	-	(5,139)	**(5,339)**	-
Net Group's carrying amount of the investment	-	-	39,137	1,184,640	-	**1,223,777**	46,124
Dividend received during the year	659	-	6,750	-	-	**7,409**	6,583
Revenue	-	-	193,375	435,260	-	**628,635**	246,464
Profit (loss) for the year	(14)	-	25,200	69,728	-	**94,914**	21,075
Group's share of profit (loss)	(8)	-	11,340	16,672	-	**28,004**	10,735
Group's share of OCI	-	-	-	-	-	**(3,471)**	-

9 INVESTMENTS IN FINANCIAL ASSETS

	Notes	2023 AED'000	2022 AED'000
Investments carried at fair value through other comprehensive income	9.1	**62,604**	62,399
Investments carried at fair value through profit or loss	9.2	**45,864**	38,552
		108,468	100,951

9.1 Financial assets at fair value through other comprehensive income

	2023 AED'000	2022 AED'000
Quoted	**62,230**	62,399
Unquoted	**374**	-
	62,604	62,399

Financial assets through other comprehensive income (FVTOCI) represent investments in two quoted and one unquoted UAE companies. Fair values of the quoted investments are determined by reference to published price quotations in an active market. The fair value measurement has been categorised as a level 1 and level 3 fair value respectively.

These investments in equity instruments are not held for trading. Instead, they are held for long-term strategic purposes. Accordingly, the management of the Group have elected to designate these investments in equity instruments as at 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.

Movement in investments at FVTOCI are as follows:

	2023 AED'000	2022 AED'000
Balance at the beginning of the year	**62,399**	66,221
Acquired in business combinations	**2,707**	-
Disposal during the year	**(352)**	-
Net fair value loss on investments at FVTOCI during the year	**(2,150)**	(3,822)
	62,604	62,399

9.2 Financial assets at fair value through profit or loss

As of 31 December 2023, all investments were categorised as level 1 fair value

	2023 AED'000	2022 AED'000
Quoted	**45,864**	38,552
	45,864	38,552

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.

9 INVESTMENTS IN FINANCIAL ASSETS continued

9.2 Financial assets at fair value through profit or loss continued

Movement in investment in financial assets carried at fair value through profit or loss is as follows:

	2023 ***AED'000***	*2022* *AED'000*
Balance at the beginning of the year	**38,552**	49,571
Acquired during the year	**16,554**	18,693
Changes in fair value during the year	**3,944**	54,818
Changes in fair value during the year relating to discontinued operations (note 37.2)	**1,386**	3,265
Disposals during the year	**(4,418)**	-
Derecognition on disposal of subsidiary (note 20.3)	**(10,154)**	(87,795)
	45,864	38,552

10 INVENTORIES

	2023 ***AED'000***	*2022* *AED'000*
Spares and consumables	**177**	3,564
Raw material and supplies	**927**	-
Household furniture	**117,886**	789
Work in progress	**11**	201
Goods in transit	**4,396**	-
Less: allowance for slow moving inventories	**(6,600)**	(1,268)
	116,797	3,286

Movement in allowance for slow moving inventories is as follows:

	2023 ***AED'000***	*2022* *AED'000*
Balance at the beginning of the year	**1,268**	-
Acquired in business combinations	**3,851**	1,238
Charge for the year	**1,481**	30
At the end of the year	**6,600**	1,268

Cost of inventories recognised as expense is AED 65,124 thousand (2022: AED 18,669 thousand).

11 DEVELOPMENT WORK IN PROGRESS

This item represents the land and development costs incurred relating to the Dubai Hills Estate project which commenced during the current year. The project consists of residential and commercial buildings and shopping mall. which is expected to be completed in 2027.

12 BIOLOGICAL ASSETS - PLANTS

Movement in biological assets – plants during the year was as follow:

	2023 ***AED'000***	*2022* *AED'000*
Balance at the beginning of the year	**273**	389
Additions during the year	**-**	90
Gain arising from change in fair value of biological assets	**265**	330
	538	809
Disposal of biological assets	**(538)**	(536)
Balance at the end of the year	**-**	273

13 RELATED PARTIES

Related parties represent associated companies, shareholders, and key management personnel of the Group and entities controlled, jointly controlled, or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

Name	*Nature of relationship*	***2023 AED'000***	*2022 AED'000*
Due from related parties			
Current			
RG Procurement RSC LTD	Entity under common control	**17,888**	10,493
Deco Vision Company WLL	Associate	**13,949**	19,660
Reem Hills - Sole Proprietorship L.L.C.	Entity under common control	**11,155**	233
International Securities L.L.C.	Entity under common control	**9,852**	106
Trojan General Contracting LLC	Entity under common control	**8,387**	21,575
Royal Group Companies Management LLC	Entity under common control	**5,209**	5,222
The Private Affairs Department of Sheikha Fatima	Other related parties	**3,525**	3,308
H.H. Sheikh Mansoor Bin Zayed Al Nahyan Eng. Office	Other related parties	**3,499**	1,902
Office of H.H. Sheikh Tahnoon – CMIS	Other related parties	**3,031**	2,944
Trojan Construction Group -Sole Prop. LLC	Entity under common control	**2,977**	-
Royal Group Holdings LLC	Ultimate Parent	**2,830**	760
Royal Health Investments LLC	Entity under common control	**2,703**	-
Inspire Integrated Facilities Management LLC	Entity under common control	**2,481**	-
Q Properties L.L.C.	Entity under common control	**1,598**	-
Citadel Properties Décor LLC	Other related parties	**1,434**	-
Colnago Holding LLC	Entity under common control	**1,185**	6,006
Sinyar Property Management LLC	Entity under common control	**1,150**	716
Hydra Village Properties LLC	Entity under common control	**1,079**	1,816
Mauqah Technology L.L.C.	Entity under common control	**822**	3,151
Pivot Asset Holding RSC Ltd.	Other related parties	**816**	418
Malaih Investment & Projects Development LLC	Other related parties	**649**	-
Fabulous Abu Dhabi Hotel Management- LLC	Entity under common control	**569**	569
Sanimed International Lab and Management LLC	Entity under common control	**465**	1,885
International Holding Company PJSC	Parent Entity	**259**	40,240
Somerian Health LLC	Other related party	**6**	5,694
Pal Technology Services LLC	Other related party	-	36,540
Eltizam Asset Management LLC	Entity under common control	-	15,592
Tamouh Healthcare LLC	Other related party	-	8,027
Tafawuq Facilities Management Co LLC	Entity under common control	-	2,159
Al Rabeeh Academy LLC	Entity under common control	-	1,922
Genqore Drug Store L.L.C	Other related party	-	1,457
Pom Holding LLC	Entity under common control	-	1,036
Al Rabeeh School - L L C	Entity under common control	-	942
Wolfi'S Retail Bike Shop LLC	Entity under common control	-	798
Others		**3,290**	4,320
Provision for expected credit losses		**(14,489)**	(16,075)
		86,319	183,416
Due from related parties			
Non-current			
Royal Group Companies Management LLC	Entity under common control	**950**	950
		950	950

* Non-current portion of balances due from related parties, pertains to retention receivables on contract signed with related parties

13 RELATED PARTIES continued

Movement in allowance for expected credit losses against amounts due from related parties:

	2023 AED'000	2022 AED'000
At 1 January	**16,075**	15,672
Acquired in business combinations	**-**	60
Charge for the year	**3,080**	2,563
Reversed during the year	**(54)**	(939)
Derecognition on disposal of subsidiaries	**(1,625)**	-
Transfer to allowance on trade and other receivables (note 14)	**(2,987)**	(1,281)
At 31 December	**14,489**	16,075

Name	Nature of relationship	2023 AED'000	2022 AED'000
Due to related parties			
Current			
IHC Industrial Holding LLC	Entity under common control	**8,019**	-
RG Procurement RSC LTD	Entity under common control	**3,071**	1,000
Multi Serve Typing & Transactions Follow Up LLC	Entity under common control	**914**	-
Royal Group Holdings LLC	Ultimate Parent	**870**	3,551
National Health Insurance Company (Daman) PJSC	Entity under common control	-	12,193
Royal Group Companies Management LLC	Entity under common control	-	7,242
HR Smart Consulting Services LLC	Entity under common control	-	3,225
Others		**3,552**	4,091
		16,426	31,302
Non-current			
Royal Group Holdings LLC	Ultimate Parent	**2,520**	2,520
H20 Interior Design LLC	Entity under common control	**-**	612
		2,520	3,132

Other balances with related parties disclosed in the consolidated statement of financial position:

	2023 AED'000	2022 AED'000
Financial assets carried at fair value through profit or loss	**22,358**	26,300
Financial assets carried at fair value through other comprehensive income	**7,377**	7,232
Balances with a financial institution	**518,827**	400,626
Dividend received from associates	**7,409**	6,583

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

	2023 AED'000	2022 AED'000
Revenue	**228,945**	512,637
Cost of revenue	**5,822**	8,582
Expenses	**3,213**	1,252

13 RELATED PARTIES continued

Compensation of key management personnel

	2023 AED'000	*2022 AED'000*
Salaries and other benefits	**3,199**	2,812
Board of Director's remuneration (note 27)	**2,283**	1,839
	5,482	4,651
Number of key management personnel	**2**	2

14 TRADE AND OTHER RECEIVABLES

	2023 AED'000	*2022 AED'000*
Trade receivables	**175,360**	113,686
Less: allowance for expected credit losses	**(66,209)**	(36,300)
	109,151	77,386
Retention receivables	**33,012**	35,575
Contract assets from customers, net	**107,768**	104,634
Advances to suppliers	**23,656**	18,633
Prepaid expenses, accrued and other receivables	**103,287**	53,534
	376,874	289,762

Trade and other receivables are disclosed in the consolidated statement of financial position as:

	2023 AED'000	*2022 AED'000*
Non-current	**30,075**	37,417
Current	**346,799**	252,345
	376,874	289,762

Provision for expected credit losses
Movement in the provision for expected credit losses of trade receivables, retention receivables, advances to suppliers and contract assets is as follows:

	2023 AED'000	*2022 AED'000*
At 1 January	**44,793**	44,154
Charge for the year	**(1,038)**	1,171
Acquired in business combinations	**31,650**	2,261
Derecognition on disposal of subsidiaries	**(2,831)**	-
Transfer from allowance on related parties (note 13)	**2,987**	1,281
Written off during the year	**(3,417)**	(4,074)
At 31 December	**72,144**	44,793

14 TRADE AND OTHER RECEIVABLES continued

Provision for expected credit losses continued

	1 January AED '000	*(Reversal of) Additional provisions AED '000*	*Write off during the year AED '000*	*Reclassification AED '000*	*Acquired through business combinations AED '000*	*At reporting date AED '000*
At 31 December 2023						
Trade receivables	**36,300**	**(1,097)**	**(800)**	**156**	**31,650**	**66,209**
Contract assets	**8,096**	**62**	**(2,617)**	**-**	**-**	**5,541**
Retention receivables	**4**	**(3)**	**-**	**-**	**-**	**1**
Advances to suppliers	**393**	**-**	**-**	**-**	**-**	**393**
Total	**44,793**	**(1,038)**	**(3,417)**	**156**	**31,650**	**72,144**
At 31 December 2022						
Trade receivables	37,011	991	(4,074)	111	2,261	36,300
Contract assets	7,141	178	-	777	-	8,096
Retention receivables	2	2	-	-	-	4
Advances to suppliers	-	-	-	393	-	393
Total	44,154	1,171	(4,074)	1,281	2,261	44,793

Contract assets

Details of contract assets of AED 107,768 thousand (31 December 2022: AED 104,634 thousand) are as follows:

	2023 AED'000	*2022 AED'000*
Contracts costs incurred plus recognised profits less recognised losses to date	**1,233,082**	768,810
Progress billings to date	**(1,154,812)**	(695,844)
	78,270	72,966
Contract assets	**113,309**	112,730
Less: allowance for expected credit losses	**(5,541)**	(8,096)
	107,768	104,634

The contract work in progress is presented as follows:

	2023 AED'000	*2022 AED'000*
Contracts assets, net	**107,768**	104,634
Billing in excess of value of work in progress (contract liabilities) (note 23)	**(29,498)**	(31,668)
	78,270	72,966

14 TRADE AND OTHER RECEIVABLES continued

At reporting date, the ageing of trade receivables is as follows:

		Trade receivables – days past due				
	Not past due	*< 30*	*31 – 60*	*61 - 90*	*>90*	*Total*
	AED'000	*AED'000*	*AED'000*	*AED'000*	*AED'000*	*AED'000*
31 December 2023						
Expected credit loss rate (%)	**1%**	**6%**	**2%**	**1%**	**86%**	**38%**
Estimated total gross carrying amount at default	**18,269**	**4,483**	**31,913**	**44,919**	**75,776**	**175,360**
Lifetime ECL	**250**	**259**	**489**	**414**	**64,797**	**66,209**
31 December 2022						
Expected credit loss rate (%)	0%	1%	0%	1%	59%	32%
Estimated total gross carrying amount at default	18,968	21,735	5,596	5,805	61,582	113,686
Lifetime ECL	17	170	10	46	36,057	36,300

15 CASH AND BANK BALANCES

	2023	*2022*
	AED'000	*AED'000*
Cash on hand	**620**	279
Bank balances	**143,206**	271,038
Margin deposit	**9,039**	-
Term deposits*	**425,127**	160,772
	577,992	432,089
Less: allowance for expected credit losses	**(53)**	(57)
	577,939	432,032
Less: restricted cash**	**(72,213)**	-
Less: term deposits with original maturity of more than three months	**(325,590)**	(82,947)
Cash and cash equivalents	**180,136**	349,085

*The term deposits' carry interest rate that ranges between 0.05% to 5.35% (2022: 0.05% to 4%) per annum. These deposits are held in a local bank and are denominated in UAE Dirhams, and these deposits have original maturity between 1 to 12 months.

**Restricted cash represents funds received in advance against sale of properties in the Dubai Hills project.

16 SEGMENT ANALYSIS

For operating purposes, the Group is organised into business segments based on its products and services as follows:

Contracting & consultancy	includes the real estate development construction and technical consultancy and design services.
Landscaping & maintenance	includes landscaping design, execution and maintenance.
Business process / manpower Outsourcing & labour supply	includes providing services with respect to human service delivery of medical cadres, human resources and administrative consultancy, mediation of domestic workers and temporary employment services.
Furniture manufacturing & retail	includes retail trading of household, office furniture and interior decoration material.
Others (unallocated)	includes Company expenses and income not allocated to any segment.

16 SEGMENT ANALYSIS continued

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

	Contracting and consultancy 2023 AED'000	*Landscapping and maintenance 2023 AED'000*	*Business process / manpower outsourcing 2023 AED'000*	*Furniture manufacturing and Retails 2023 AED'000*	*Staff accommodation 2023 AED'000*	*Others 2023 AED'000*	*Total segments 2023 AED'000*	*Elimination 2023 AED'000*	*Consolidated 2023 AED'000*
Revenue from contract with customers									
External customers	109,484	303,663	34,761	160,038	1,120	289	609,355	-	609,355
Inter-Segment	19,662	2,484	2,563	596	1,133	-	26,438	(26,438)	-
Total	**129,146**	**306,147**	**37,324**	**160,634**	**2,253**	**289**	**635,793**	**(26,438)**	**609,355**
Less: Expense									
Direct costs	79,086	252,336	27,075	100,374	2,950	273	462,094	(20,348)	441,746
Administrative expense	8,104	17,930	2,930	15,603	1,477	19,388	65,432	(7,778)	57,654
Selling and distribution expenses	-	-	-	27,994	-	-	27,994	-	27,994
Total	**87,190**	**270,266**	**30,005**	**143,971**	**4,427**	**19,661**	**555,520**	**(28,126)**	**527,394**
Segment profit	**41,956**	**35,881**	**7,319**	**16,663**	**(2,174)**	**(19,372)**	**80,273**	**1,688**	**81,961**
Segments assets	**345,157**	**260,275**	**103,007**	**673,497**	**1,200,541**	**1,520,393**	**4,102,870**	**(1,042,369)**	**3,060,501**
Segments liabilities	**167,045**	**182,633**	**83,878**	**305,705**	**1,119**	**952,445**	**1,692,825**	**(920,264)**	**772,561**

16 SEGMENT ANALYSIS continued

	Contracting and consultancy 2022 AED'000	*Landscapping and maintenance 2022 AED'000*	*Business process / manpower outsourcing 2022 AED'000*	*Furniture manufacturing and Retail 2022 AED'000*	*Staff accommodation 2022 AED'000*	*Others 2022 AED'000*	*Total segments 2022 AED'000*	*Elimination 2022 AED'000*	*Consolidated 2022 AED'000*
Revenue from contract with customers									
External customers	111,173	191,082	-	51,122	-	4,057	357,434	-	357,434
Inter-Segment	20,151	9	2,981	1,899	-	1,318	26,358	(26,358)	-
Total	131,324	191,091	2,981	53,021	-	5,375	383,792	(26,358)	357,434
Less: Expense									
Direct costs	88,586	161,283	-	41,571	-	3,632	295,072	(21,998)	273,074
Administrative expense	12,311	12,306	-	4,899	-	13,593	43,109	(6,145)	36,964
Total	100,897	173,589	-	46,470	-	17,225	338,181	(28,143)	310,038
Segment profit	30,427	17,502	2,981	6,551	-	(11,850)	45,611	1,785	47,396
Segments assets	481,849	219,890	271,956	89,629	-	500,618	1,563,942	419,481	1,144,461
Segments liabilities	347,744	179,211	78,354	50,710	-	110,577	766,596	380,037	386,559

16 SEGMENT ANALYSIS continued

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

	2023 *AED'000*	*2022* *AED'000*
Reconciliation of profit		
Segment profit	**81,961**	47,396
Share of profit from investment in associate and joint ventures	**28,004**	10,735
Impairment on investment in associates and joint ventures	**(5,339)**	-
Gain from change in fair value of biological assets	**265**	330
Gain from change in fair value of financial assets carried at fair value through profit or loss	**3,944**	54,818
Gain on disposal of a subsidiary	**136,857**	-
Gain on disposal of an associate	**417,279**	-
Reversal of impairment	**8,781**	-
Interest and other income	**13,450**	10,237
Finance charges	**(3,905)**	(780)
Profit before tax for the year from continuing operations	**681,297**	122,736
Corporate income tax	**450**	-
Profit for the year from discontinued operations	**4,880**	42,494
Profit for the year	**686,627**	165,230

17 SHARE CAPITAL

	2023 AED'000	*2022 AED'000*
Authorised, issued and fully paid shares		
250,000,000 ordinary shares (31 December 2022: 250,000,000 shares) of AED 1 each (31 December 2022: AED 1 each)	**250,000**	250,000

18 STATUTORY RESERVE

In accordance with UAE Commercial Companies Law No. (32) of 2021 and the Company's articles of association, 10% of the profit for the year is to be transferred to a statutory reserve until such reserve balance equals 50% of the Company's share capital. This reserve is not available for distribution except as stipulated by the Law.

19 ACQUISITION OF ASSETS

During the year, ESG Companies Management – Sole Proprietorship LLC, a subsidiary acquired 100% shares in Tri Star Investment L.L.C ("Tri Star") for a consideration of AED 250 million. The transaction is not an acquisition of a business and therefore, it was treated as acquisition of assets from an entity under common control, given that the Company and the acquired entity are ultimately controlled by the same party before and after the acquisition. The details of the assets acquired are as follows:

The assets acquired are as follows:

	Tri Star AED'000 (Unaudited)
Assets	
Investment in associate (note 37)	**762,313**
Financial assets carried at fair value through other comprehensive income (FVTOCI)	**1,718**
Total assets acquired	**764,031**
Consideration paid	**(250,000)**
Merger reserve	**514,031**

20 BUSINESS COMBINATIONS

20.1 Business combination under common control

During the years ended 31 December 2023 and 2022, 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 Company 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.

20 BUSINESS COMBINATIONS continued

20.1 Business combination under common control continued

20.1 (a) Acquisitions during the year

AFKAR Financial & Property Investments LLC and its subsidiaries

Effective 1 October 2023, ESG Capital Holding LLC, a subsidiary, acquired 60% of the shares in AFKAR Financial & Property Investment LLC ("AFKAR") and its subsidiaries for a consideration of AED 48,000 thousand. AFKAR is based in Abu Dhabi, United Arab Emirates, and is involved in commercial enterprise investment, institution and management, companies' representation, and real estate enterprise investment and development. From the date of acquisition, AFKAR contributed revenue and profit to the Group amounting to AED 76,367 thousand and AED 11,341 thousand respectively. If the acquisition had taken place at the beginning 2023 AFKAR would have contributed revenue and profit to the Group amounting to AED 298,342 thousand and AED 18,606 thousand respectively. .

The amounts recognized in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below:

	2023 AFKAR AED'000
Assets	
Property and equipment	185,562
Investment properties	79,534
Financial assets carried at fair value through other comprehensive income (FVTOCI)	989
Right of use assets	69,697
Due from related parties	4,198
Trade and other receivables	51,781
Inventories	124,556
Cash and bank balances	11,095
	527,412
Liabilities	
Employees' end of service benefits	7,763
Lease liability	81,215
Borrowings	82,593
Trade and other payables	43,726
	215,297
Total identifiable net assets	**312,115**
Less: non-controlling interest	(124,847)
Proportionate share of identifiable net assets acquired	**187,268**
Consideration paid	(48,000)
Merger reserve	**139,268**

20 BUSINESS COMBINATIONS continued

20.1 ***Business combination under common control*** continued

20.1 (b) Acquisitions in the prior year

Vision Furniture & Decoration Factory L.L.C ("Vision Factory")
Effective 1 April 2022, ESG Capital Holding LLC, a subsidiary, acquired 60% shares in Vision Furniture & Decoration Factory L.L.C for AED nil consideration. Vision Factory is a limited liability company incorporated in the Emirate of Abu Dhabi, United Arab Emirates and is involved in house & office furniture manufacturing, fireproof wooden doors manufacturing, onshore & offshore oil & gas fields and facilities. From the date of acquisition, Vision Factory contributed revenue and profit to the Group amounting to AED 51,122 thousand and AED 6,347 thousand, respectively for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, Vision Factory would have contributed revenue and profit to the Group amounting to AED 66,401 thousand and AED 7,720 thousand, respectively for the year ended 31 December 2022.

The amounts recognized in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below:

	2022 Vision Factory AED'000
Assets	
Property and equipment	10,718
Right-of-use assets	2,211
Due from related parties	27,709
Trade and other receivables	7,503
Inventories	4,845
Cash and bank balances	14,399
	67,385
Liabilities	
Employees' end of service benefits	5,043
Lease liabilities	3,645
Trade and other payables	25,855
Due to related parties	447
	34,990
Total identifiable net assets	32,395
Less: non-controlling interest	(12,959)
Proportionate share of identifiable net assets acquired	19,436
Consideration paid	-
Merger reserve	19,436

20 BUSINESS COMBINATIONS continued

20.2 Acquisitions under IFRS 3 business combination

During the year, the Group acquired the following entities, which were accounted for using the acquisition method under IFRS 3 Business Combination:

20.2 Acquisitions during the year

Progressive Real Estate Development LLC ("PRED")
Effective 1 January 2023, ESG Capital Holding LLC, a subsidiary of the Group, acquired an additional 10% interest in Progressive Real Estate Development LLC ("PRED"), previously a jointly controlled entity, for nil consideration, increasing the Group's ownership to 80%. On the same day, as a result of amendments to the Memorandum of Association, the Group obtained control over PRED. The fair value of the previously held interest on the date of obtaining control, amounted to AED 5,781 thousand. PRED is a limited company, registered in Abu Dhabi, and is engaged in real estate lease and management services. From the date of acquisition, PRED contributed revenue and loss to the Group amounting to AED 2,552 thousand and AED 1,204 thousand respectively.

United International Group For Manpower Services LLC ("UIG")
Effective 1 October 2023, Century Human Resources And Logistics-LLC-OPC, a subsidiary of the Group, acquired 51% shares in United International Group For Manpower Services LLC ("UIG") and its subsidiaries for a consideration of AED 43,413 thousand. UIG is a limited liability company incorporated in the Emirate of Abu Dhabi, United Arab Emirates and is involved domestic workers mediation and temporary employment services, onshore and offshore oil and gas fields and facilities services, and upon request employees provision services. From the date of acquisition, UIG contributed revenue and profit to the Group amounting to AED 36,806 thousand and AED 6,862 thousand, respectively. If the acquisition had taken place at the beginning of the year, UIG would have contributed revenue and profit to the Group amounting to AED 136,676 thousand and AED 15,400 thousand, respectively.

The following table summarizes the recognized fair values of assets acquired and liabilities assumed in respect of acquisition:

	PRED AED'000	*UIG* AED'000*	***Total AED'000***
Assets			
Property and equipment	1,175	1,726	2,901
Intangible assets	-	7,139	7,139
Right of use asset	-	386	386
Trade and other receivables	6,177	86,371	92,548
Due from related parties	-	816	816
Cash and bank balances	1,954	8,686	10,640
Total assets	**9,306**	**105,124**	**114,430**
Employees' end of service benefits	61	9,489	9,550
Borrowings	-	4,392	4,392
Trade and other payables	987	63,531	64,518
Lease Liabilities	-	299	299
Due to related parties	-	8,008	8,008
Deferred tax liability	-	642	642
Total liabilities	**1,048**	**86,361**	**87,409**
Net assets	**8,258**	**18,763**	**27,021**
Less: non-controlling interest	1,652	9,194	10,846
Total identifiable net assets at fair value	**6,606**	**9,569**	**16,175**
Proportionate share of identifiable net assets acquired	6,606	9,569	16,175
Goodwill arising on acquisition	-	33,844	33,844
Gain on bargain purchase	(825)	-	(825)
Purchase Consideration	**5,781**	**43,413**	**49,194**

20 BUSINESS COMBINATIONS continued

20.2 Acquisitions under IFRS 3 business combination continued

20.2 Acquisitions during the year continued

*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 acquisitions within one year from the acquisition date.

Intangible assets of AED 7,193 thousand have been recognised as a result of aforementioned acquisition, which comprises customer relationships.

Goodwill of AED 33,844 thousand arising from the acquisitions comprises largely the value of expected synergies arising from the acquisitions, which are not separately recognised.

Details of purchase consideration on acquisitions is as follows:

	PRED AED'000	*UIG AED'000*	***Total AED'000***
Consideration payable	-	43,413	**43,413**
Fair value of previously held equity interest (note 8)	5,781	-	**5,781**
Total purchase consideration	**5,781**	**43,413**	**49,194**

Analysis of cashflows on acquisitions is as follows:

	PRED AED'000	*UIG AED'000*	***Total AED'000***
Cash acquired in business combination	(1,954)	(8,686)	**(10,640)**
Acquisition of operating business – net of cash used (acquired) (included in cash flows from investing activities)	(1,954)	(8,686)	**(10,640)**

20.3 Disposal of subsidiary during the year

Effective 1 April 2023, the Group disposed of its 70% ownership interest in WFC Group to a related party for consideration of AED 276,080 thousand. The carrying value of the identifiable assets and liabilities disposed on the date of sale are as follows:

20 BUSINESS COMBINATIONS continued

20.3 Disposal of subsidiary during the year continued

	WFC Holding LLC AED'000 (Unaudited)
ASSETS	
Non-current assets	
Property and equipment (note 5)	**61,944**
Intangible assets (note 7)	**171**
Trade and other receivables	**7,715**
	69,830
Current assets	
Financial assets at fair value through profit or loss (note 9.2)	**10,154**
Due from related parties	**37,918**
Trade and other receivables	**74,210**
Cash and bank balances	**66,460**
	188,742
TOTAL ASSETS	**258,572**
LIABILITIES	
Non-current liabilities	
Employees' end of service benefits (note 21)	**11,983**
	11,983
Current liabilities	
Due to related parties	**17,226**
Trade and other payables	**30,473**
	47,699
Total liabilities	**59,682**
Total identified net assets	**198,890**
Less: non-controlling interest	**(59,667)**
Net assets attributable to the owners	**139,223**
Consideration received on disposal	**276,080**
Gain on disposal	**136,857**

The net cash flows generated from the sale of subsidiary are, as follows:

	AED'000
Cash received from sale	**276,080**
Cash sold as part of the sale	**(66,460)**
Net cash inflow on date of disposal	**209,620**

21 EMPLOYEES' END OF SERVICE BENEFITS

Movements in the provision for employees' end of service benefit are as follows:

	2023 *AED'000*	*2022* *AED'000*
At 1 January	**34,721**	25,952
Acquired in business combination (note 20.1, note 20.2)	**17,313**	5,043
Charge during the year	**8,093**	8,467
Paid during the year	**(6,952)**	(3,577)
Disposal of subsidiary during the year (note 20.3)	**(11,983)**	-
Transfers from / (to) related parties	**6**	(1,164)
At 31 December	**41,198**	34,721

22 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

	Land *AED'000*	*Warehouses* *AED'000*	*Total* *AED'000*
2023			
Cost:			
At 1 January	-	6,212	6,212
Acquired in business combinations (note 20.1, note 20.2)	4,681	86,985	91,666
Additions	-	8,637	8,637
Modification	-	(1,386)	(1,386)
Termination of lease	-	(2,972)	(2,972)
At 31 December	**4,681**	**97,476**	**102,157**
Accumulated depreciation:			
At 1 January		1,919	1,919
Acquired in business combination (note 20.1, note 20.2)	219	21,364	21,583
Charge for the year	73	10,018	10,091
Termination of lease	-	(1,730)	(1,730)
At 31 December	**292**	**31,571**	**31,863**
Net carrying amount:			
At 31 December	**4,389**	**65,905**	**70,294**
2022			
Cost:			
At 1 January	-	1,937	1,937
Acquired in business combinations (note 20.1)	-	2,282	2,282
Additions	-	959	959
Modification	-	1,034	1,034
At 31 December	-	6,212	6,212
Accumulated depreciation:			
At 1 January	-	430	430
Acquired in business combination (note 20.1)	-	71	71
Charge for the year	-	1,418	1,418
At 31 December	-	1,919	1,919
Net carrying amount			
At 31 December	-	4,293	4,293

22 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES continued

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

	2023 ***AED'000***	*2022* *AED'000*
General and administrative expenses (note 27)	**1,150**	1,418
Selling and distribution expenses (note 28)	**8,941**	-
	10,091	1,418

Lease liabilities:
Set out below are the carrying amounts of lease liabilities and the movements during the year:

	2023 ***AED'000***	*2022* *AED'000*
At 1 January	**5,416**	1,300
Additions during the year	**8,637**	959
Modification	**(1,057)**	819
Termination of lease	**(1,090)**	-
Acquired in business combinations (note 20.1, note 20.2)	**81,514**	3,645
Interest expense	**1,617**	157
Repayment made during the year	**(15,880)**	(1,464)
At 31 December	**79,157**	5,416

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

	2023 ***AED'000***	*2022* *AED'000*
Non-current	**46,804**	4,094
Current	**32,353**	1,322
Total	**79,157**	5,416

23 TRADE AND OTHER PAYABLES

	2023 ***AED'000***	*2022* *AED'000*
Trade payables	**85,720**	43,452
Accrued expenses	**131,232**	114,909
Advances from customers	**94,067**	18,526
Retention payables	**8,473**	8,816
Contract liabilities (note 14)	**29,498**	31,668
Provisions, deposits, and other payables	**201,837**	94,617
	550,827	311,988

23 TRADE AND OTHER PAYABLES continued

Trade and other payables are disclosed in the consolidated statement of financial position as:

	2023 *AED'000*	*2022* *AED'000*
Non-current	**2,792**	2,719
Current	**548,035**	309,269
Total	**550,827**	311,988

24 BANK BORROWINGS

Bank borrowings comprises of the following:

	2023 *AED'000*	*2022* *AED'000*
Term loans	**80,834**	-
Vehicle loans	**1,006**	-
	81,840	-

Movement in borrowings during the year is as follows:

	2023 *AED'000*	*2022* *AED'000*
At 1 January	**-**	-
Acquired in business combination (note 20.1, note 20.2)	**86,985**	-
Reclassified to other payables	**(730)**	-
Drawdowns during the year	**141**	-
Repayments during the year	**(4,556)**	-
At 31 December	**81,840**	-

Analysed in the consolidated statement of financial position as follows:

	2023 *AED'000*	*2022* *AED'000*
Current liabilities	**32,502**	-
Non-current liabilities	**49,338**	-
	81,840	-

The following table details the Group's remaining contractual maturity for its borrowings:

	2023 *AED'000*	*2022* *AED'000*
Less than 3 months	**10,959**	-
After 3 months but no more than 12 months	**21,543**	-
After one but not more than five years	**49,338**	-
	81,840	-

24 BANK BORROWINGS continued

	Security	*Interest rates*	*Maturity*	***2023 AED '000***	*2022 AED '000*	*Purpose*
Term Loan - 1	Secured	2% +6M EIBOR	September 2025	**21,344**	-	To finance the construction of commercial centers
Term Loan - 2	Secured	2% + 6M EIBOR	February 2027	**56,874**	-	To finance the construction of warehouse
Term Loan - 3	Secured	5%	January 2025	**2,370**	-	To finance the operations of the Subsidiary
Term Loan - 4	Secured	6.5%	April 2024	**246**	-	To finance the operations of the Subsidiary
				80,834	-	
Other vehicle Loans	Secured	3.00%-5.51%	2024-2027	**1,006**	-	To finance the purchase of vehicles
				1,006	-	
				81,840	-	

Term loan 1
The facility is secured by corporate guarantees of related parties, mortgage over certain investment properties, assignment of contractor's all risk insurance policy of mortgaged properties in favour of the bank, assignment of rental proceeds, generated from the mortgaged properties in favour of the bank. The loan is repayable in half year instalments.

Term loan 2
The facility is subject to certain restrictive covenants. The facility is secured by mortgage over property, assignment of contractor's all risk insurance policy of mortgaged properties in favour of the bank, agreement of pledge and hypothecation of inventories and movables over stocks, deed of assignment of receivables, undated security cheque drawn on Bank covering the total facility in favour of the bank. The loan is repayable in quarterly instalments.

Term loan 3
The facility is secured by assignment of contractor's vehicle insurance policy in favour of the bank, mortgage of vehicle favoring the bank and a security cheque drawn in favour of the bank. The loan is repayable in monthly instalments.

Term loan 4
The facility is secured against a security covering the total loan amount. The loan is repayable in monthly instalments.

25 REVENUE

	2023 AED'000	*2022 AED'000*
Type of revenue		
Construction contracts revenue	**109,484**	111,173
Landscaping, agriculture and maintenance revenue	**303,663**	191,081
Manpower and management solutions revenue	**34,761**	-
Labour camp management and other related revenue	**1,408**	4,058
Furniture manufacturing and retail revenue	**160,039**	51,122
	609,355	357,434
Timing of revenue recognition		
Services transferred over the period of time	**417,464**	265,485
Services transferred at point of time	**191,891**	91,949
	609,355	357,434
Geographical markets		
Revenue generated within UAE	**551,080**	314,456
Revenue generated outside UAE	**58,275**	42,978
	609,355	357,434

26 DIRECT COSTS

	2023 AED'000	*2022 AED'000*
Subcontracting and maintenance costs	**52,258**	43,679
Staff cost	**117,243**	105,170
Direct materials	**250,480**	118,810
Depreciation (note 5)	**4,820**	2,694
Others	**16,945**	2,721
	441,746	273,074

27 GENERAL AND ADMINISTRATIVE EXPENSES

	2023 AED'000	*2022 AED'000*
Staff cost	**33,093**	28,343
Government fees, professional and legal expenses	**6,093**	3,568
Provision for (reversal of) expected credit losses	**1,656**	(2,379)
Board of director's remuneration (note 13)	**2,283**	1,839
Rent, utilities, and communication	**2,112**	1,222
Depreciation and amortisation	**3,386**	3,565
Repairs and maintenance	**229**	461
Insurance expenses	**310**	274
Other expenses	**8,492**	71
	57,654	36,964

28 SELLING AND DISTRIBUTION EXPENSES

	2023 AED'000	*2022 AED'000*
Staff cost	**9,415**	-
Depreciation and amortisation	**12,521**	-
Advertisement and business promotion expenses	**4,675**	-
Other bank charges	**1,383**	-
	27,994	-

29 INTEREST AND OTHER INCOME

	2023 AED'000	*2022 AED'000*
Interest income	**7,614**	290
Rental income	**2,825**	931
Dividends income	**895**	2,627
Miscellaneous	**894**	689
Gain on bargain purchase (note 20.2)	**825**	-
Fair value gain on previously held equity interest (note 8)	**210**	-
Gain on disposal of property and equipment	**187**	-
Gain on disposal of investment properties	**-**	5,700
	13,450	10,237

30 FINANCE COSTS

	2023 AED'000	*2022 AED'000*
Interest expense on lease liabilities	**1,617**	156
Interest expense on borrowings	**1,600**	-
Other bank charges	**688**	624
	3,905	780

31 CORPORATE INCOME TAX

UAE Corporate Tax Law disclosures

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 is effective from 1 June 2023 and accordingly, it has an income tax related impact on the financial statements for accounting periods beginning on or after 1 June 2023.

Decision No. 116 of 2022 (published in December 2022 and considered to be effective from 16 January 2023) specifies that taxable income not exceeding AED 375,000 would be subject to the 0% UAE CT rate, and taxable income exceeding AED 375,000 would be subject to the 9% UAE CT rate. With the publication of this Decision, the UAE CT Law is considered to be substantively enacted for the purposes of accounting for Income Taxes.

The UAE CT Law shall apply to the Group with effect from 1 January 2024. The MoF continue to issue supplemental Decisions of the Cabinet of Ministers of the UAE (Decisions) to further clarify certain aspects of the UAE CT Law. Such Decisions, and other interpretive guidance of the UAE Federal Tax Authority, are required to fully evaluate the impact of the UAE CT Law on the Group.

31 CORPORATE INCOME TAX continued

UAE Corporate Tax Law disclosures continued

Since the provisions of UAE CT law will apply to Tax Periods commencing on or after 1 June 2023, the related current taxes shall be accounted for in the consolidated financial statements for the period beginning 1 January 2024. However, the related deferred tax accounting impact has been considered for the financial year ended 31 December 2023 as follows:.

	2023 *AED'000*	*2022* *AED'000*
Consolidated statement of profit or loss		
Deferred income tax:		
Relating to temporary differences	**(450)**	-

Deferred tax liability / (asset) relates to the following:

	Consolidated statement of financial position		*Consolidated statement of comprehensive income*	
	2023 *AED'000*	*2022* *AED'000*	*2023* *AED'000*	*2022* *AED'000*
Intra group transactions deferred tax asset	**401**	-	**(401)**	-
Deferred tax liability on CIT on intangible	**593**	-	**(49)**	-
Deferred tax income	**-**	-	**(450)**	-
Deferred tax (liabilities)	**(593)**	-	**-**	-
Deferred tax asset	**401**	-	**-**	-

32 CONTINGENT LIABILITIES AND COMMITMENT

	2023 *AED'000*	*2022* *AED'000*
Letters of guarantee	**47,191**	58,414
Letters of credit	**6,079**	2,953

Bank guarantees and letter of credit are issued in the normal course of business.

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 2023.

33 MATERIAL PARTLY OWNED SUBSIDIARIES

Summarised financial information of subsidiaries with material non-controlling interest is provided below before intra-group eliminations.

Accumulated balances of non-controlling interest:	*%*	***2023 AED'000***	*2022 AED'000*
Afkar Financial & Property Investments LLC (i)	**40%**	**129,383**	-
Vision Furniture & Decoration Factory LLC (ii)	**40%**	**17,572**	15,450
United International Group for Manpower Services LLC (iii)	**49%**	**12,556**	-
WFC Holding LLC		-	58,081
Others		**125,441**	526
		284,952	74,057
Profit (loss) allocated to non-controlling interest:			
Afkar Financial & Property Investments LLC (i)		**4,536**	-
Vision Furniture & Decoration Factory LLC (ii)		**6,112**	2,493
United International Group for Manpower Services LLC (iii)		**3,363**	-
WFC Holding LLC		-	13,642
Others		**1,200**	888
		15,211	17,023

(i) Afkar Financial & Property Investments LLC

	2023 AED'000
Statement of comprehensive income for the year:	
Revenue	**76,367**
Expenses	**(65,027)**
Profit for the year	**11,340**
Profit allocated to non-controlling interest	**4,536**
Statement of cash flows for the year:	
Cash flows from operating activities	**22,745**
Cash flows from investing activities	**1,685**
Cash flows used in financing activities	**(17,816)**
Net cash inflows	**6,614**
Statement of financial position:	
Assets	**533,315**
Liabilities	**(209,857)**
Net assets	**323,458**
Accumulated non-controlling interest	**129,383**

33 MATERIAL PARTLY OWNED SUBSIDIARIES continued

(ii) Vision Furniture & Decoration Factory LLC

	2023 AED'000	*2022 AED'000*
Statement of comprehensive income for the year:		
Revenue	**84,267**	53,021
Expenses	**(68,961)**	(46,789)
Profit for the year	**15,306**	6,232
Profit allocated to non-controlling interest	**6,112**	2,493
Statement of cash flows for the year:		
Cash flows (used in) / from operating activities	**(14,725)**	18,759
Cash flows from / (used in) investing activities	**2,357**	(21,932)
Cash flows from financing activities	**11,290**	-
Net cash outflows	**(1,078)**	(3,173)
Statement of financial position:		
Assets	**86,783**	88,879
Liabilities	**(42,852)**	(50,254)
Net assets	**43,931**	38,625
Accumulated non-controlling interest	**17,572**	15,450

(iii) United International Group for Manpower Services LLC

	2023 AED'000
Statement of comprehensive income for the year:	
Revenue	**36,806**
Expenses	**(29,944)**
Profit for the year	**6,862**
Profit allocated to non-controlling interest	**3,363**
Statement of cash flows for the year:	
Cash flows from operating activities	**5,242**
Cash flows from investing activities	**2,340**
Cash flows used in financing activities	**(6,635)**
Net cash inflows	**947**
Statement of financial position:	
Assets	**110,146**
Liabilities	**(84,522)**
Net assets	**25,624**
Accumulated non-controlling interest	**12,556**

34 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of financial risks; credit risk, liquidity risk, interest rate risk and currency risk. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative or risk management purposes.

The following section discusses the entity's risk management policies. The measurement of ECL under IFRS 9 uses the information and approaches that the entity uses to manage credit risk, though certain adjustments are made in order to comply with the requirements of IFRS 9.

During the year ended 31 December 2023, the Group was not exposed to any significant financial risk, other than credit risk and liquidity risk. The Group reviews and agrees policies for managing each of these risks and these policies are summarised below:

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group has adopted a policy of only dealing with creditworthy counter parties, however, significant revenue is generated by dealing with high profile well known customers, for whom the credit risk is assessed to be low. In additions, the Group has security deposits against counterparties related to its trade receivable balances.

The Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific non-related counterparties, and continually assessing the creditworthiness of such non-related counterparties. Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the UAE Central Bank.

Concentration of credit risk arises when a number of counter-parties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Group 's performance to developments affecting a particular industry or geographic location. All balances with banks are with commercial banks in the United Arab Emirates.

The amount that best represents maximum credit risk exposure on financial assets at the end of the reporting period, in the event counterparties fail to perform their obligations, generally approximates their carrying value.

Interest rate risk
The Group's exposure to interest rate risk is related to interest rates on fixed deposits with banks. The Group does not have any fixed deposits with variable interest and is hence not exposed to interest rate risk.

Interest rate risk arises from the possibility that changes in interest rates will affect the net interest income of the Group. The Group's exposure to interest rate risk relates to its loans from banks. Bank borrowings carried interest at the rate of EIBOR plus 1.75% - 2% (2022: nil). The Group's sensitivity to interest rates has not changed significantly from the prior year.

Based on the sensitivity analysis to a 100 basis points increase or decrease in the interest rate, the Group's profit for the year ended 31 December 2023 and equity as of 31 December 2023 would have decreased / increased by AED 818 thousand (2022: AED 1,085 thousand).

Liquidity risk
Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities when they fall due.

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

34 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES continued

Liquidity risk continued
The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

	Less than 3 months AED'000	*3 months to 1-year AED'000*	*1 to 5 years AED'000*	*Total AED'000*
31 December 2023				
Trade and other payables	**172,950**	**-**	**2,792**	**175,742**
Due to related parties	**16,426**	**-**	**2,520**	**18,946**
Lease liabilities	**1,005**	**34,403**	**50,999**	**86,407**
Bank borrowings	**1,453**	**36,810**	**56,591**	**94,854**
	191,834	**71,213**	**112,902**	**375,949**
31 December 2022				
Trade and other payables	80,472	-	2,719	83,191
Due to related parties	31,302	-	3,132	34,434
Lease liabilities	-	1,351	4,211	5,562
	111,774	1,351	10,062	123,187

Equity price sensitivity analysis
The sensitivity analysis has been determined based on the exposure to equity price risks at the end of the reporting period.

If the equity prices had been 10% higher/lower, the Group's other comprehensive income and profit for the year would have increased/decreased by AED 6,260 thousand (2022: AED 6,240 thousand) AED 4,586 thousand (2022: AED 3,855 thousand), respectively as a result of change in fair value of investments carried at FVTOCI & FVTPL

Capital management
The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize shareholders' value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions.

No changes were made in the objectives, policies or processes during the years ended 31 December 2023 and 31 December 2022. The Group 's capital structure comprises share capital, statutory reserve, merger reserve, currency translation reserve, cumulative changes in fair value and retained earnings and is measured at AED 2,002,988 thousand (2022: AED 683,845 thousand).

35 FAIR VALUES

Fair value of the Group's assets that are measured at fair value on recurring basis
Some of the Group's financial 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: quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

35 FAIR VALUES continued

Fair value of the Group's assets that are measured at fair value on recurring basis continued
The Group held the following financial instrument measured at fair value:

	Level 1 AED'000	*Level 2 AED'000*	*Level 3 AED'000*	*Total AED'000*
31 December 2023				
Financial assets at fair value through other comprehensive income	**62,230**	-	**374**	**62,604**
Financial assets at fair value through profit or loss	**45,864**	-	-	**45,864**
	108,094	-	**374**	**108,469**
31 December 2022				
Financial assets at fair value through other comprehensive income	62,399	-	-	62,399
Financial assets at fair value through profit or loss	38,552	-	-	38,552
	100,951	-	-	100,951

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.

Fair value of the Group's assets that are measured at historical cost
The following table shows the analysis of the fair value of assets measured and disclosed at historical cost:

	Fair value as at		***Fair value hierarchy***	***Valuation techniques and key inputs***	***Significant unobservable input***	***Relationship of unobservable inputs to fair value***
	31 December 2023 AED'000	*31 December 2022 AED'000*				
Investment properties	**101,300**	-	Level 3	Discounted cash flow method.	Rental values	Higher rental income assumed, higher the fair value.

36 BASIC EARNINGS PER SHARE

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

	2023	*2022*
Profit for the year attributable to equity holders of the parent (AED'000)	**671,416**	148,207
Profit from continuing operations attributable to equity holders of the parent (AED'000)	**668,000**	118,462
Weighted average number of shares ('000)	**250,000**	250,000
Basic earnings per share for the year (AED)	**2.69**	0.59
Basic earnings per share for the year (AED) – continuing operations	**2.67**	0.47

37 DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

	2023	*2022*
Assets held for sale - associate (note 37.1)	**762,313**	-
Less: disposal during the year	**(762,313)**	-
	-	-

37.1 Assets held for sale

On 1 January 2023, the Group acquired 50% stake in Al Eskan Al Jamae LLC ("Eskan") (note 19). Subsequently, On 1 April 2023, and as a result of a sale and transfer agreement, the Group contributed its 50% investment in Eskan to Kizad Communities in return for 23.91% ownership interest in Kizad Communities and cash consideration of AED 8,153. Accordingly, the investment in Eskan was derecognized and a gain of AED 417,279 thousand was recorded which is calculated as follows:

	AED'000
Fair value of 50% investment in Eskan	**1,300,000**
Cash consideration received	**8,153**
Less : carrying value of 50% investment in Eskan	**(762,313)**
Profit before elimination	**545,840**
Elimination of unrealized profit on sale	**(128,561)**
Gain on disposal of investment in Eskan	**417,279**

The Group recorded its investment in Kizad Communities at AED 1,171,439 thousand calculated as follows:

	AED'000
Fair value of investment in Kizad Communities	**1,300,000**
Less: Elimination of unrealized profit	**(128,561)**
Investment in Kizad Communities (note 8)	**1,171,439**

37 DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE continued

37.2 Discontinued operations

The shareholders of the Group approved the sale of WFC Holding LLC ("WFC"), a 70% owned subsidiary to a related party for a total consideration of AED 276,080 thousand. The sale was completed on 1 April 2023. Accordingly, the subsidiary was classified as discontinued operations. The results of operations of WFC classified as discontinued operations are presented below:

	Period from 1 January 2023 till 31 March 2023 AED'000	*For the year ended 31 December 2022 AED'000*
Revenue	**99,666**	498,911
Direct costs (Note 37.2.1)	**(92,903)**	(436,657)
Gross profit	**6,763**	62,254
General and administrative expenses (note 37.2.2)	**(3,558)**	(25,028)
Gain from changes in fair value of financial assets carried at fair value through profit or loss (note 9.2)	**1,386**	3,265
Other income	**314**	2,259
Finance costs	**(25)**	(256)
PROFIT FOR THE YEAR	**4,880**	42,494

37.2.1 Direct costs

	2023 AED'000	*2022 AED'000*
Subcontracting and maintenance costs	**80,159**	386,793
Staff cost	**12,726**	49,864
Depreciation	**18**	-
	92,903	436,657

37.2.2 GENERAL AND ADMINISTRATIVE EXPENSES

	2023 AED'000	*2022 AED'000*
Salaries and wages	**1,647**	15,446
Government fees, professional and legal expenses	**222**	1,193
Provision for expected credit losses	**382**	1,123
Rent, utilities and communication	**94**	813
Depreciation and amortisation	**912**	3,543
Insurance expenses	**3**	3
Other expenses	**298**	2,907
	3,558	25,028

38 COMPARATIVE FIGURES

Certain comparative figures have been reclassified, wherever necessary, to conform to the presentation adopted in the current year's consolidated financial statements. These reclassifications were not significant and have no impact on the total assets, total liabilities, total equity and profit of the Group.