Response Plus Holding PJSC

REVIEW REPORT AND INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

PERIOD ENDED 30 JUNE 2024

Response Plus Holding PJSC

REVIEW REPORT AND INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2024

Contents ***Page***

Report on review of interim condensed consolidated financial statements	1
Interim consolidated statement of financial position	2
Interim consolidated statement of profit or loss	3
Interim consolidated statement of comprehensive income	4
Interim consolidated statement of changes in equity	5
Interim consolidated statement of cash flows	6
Notes to the interim condensed consolidated financial statements	7 – 17

Building a better working world

Ernst & Young Middle East
(Abu Dhabi Branch)
P.O. Box 136
Nation Towers, Tower 2, Floor 27
Corniche Road West
Emirate of Abu Dhabi
United Arab Emirates

Tel: +971 2 417 4400
+971 2 627 7522
Fax: +971 2 627 3383
abudhabi@ae.ey.com
ey.com

CL No. 1001276

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE MANAGEMENT OF

RESPONSE PLUS HOLDING PJSC

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Response Plus Holding PJSC (the "Company") and its subsidiaries (together referred to as the "Group") as at 30 June 2024, comprising of the interim consolidated statement of financial position as at 30 June 2024, and the related interim consolidated statements of profit or loss and comprehensive income for the six month period then ended, and the interim consolidated statement of changes in equity and interim consolidated statement of cash flows for the six month period then ended and explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects in accordance with IAS 34, "*Interim Financial Reporting*".

For Ernst & Young

Walid J Nakfour
Registration No 5479

12 August 2024
Abu Dhabi, United Arab Emirates

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 June 2024

	Notes	*(Unaudited) 30 June 2024 AED*	*(Audited) 31 December 2023 AED*
ASSETS			
Non-current assets			
Property and equipment	5	**54,075,381**	45,335,879
Financial asset		**6,680,481**	7,914,931
Right-of-use assets		**7,062,001**	766,014
Goodwill	4	**41,081,391**	-
		108,899,254	54,016,824
Current assets			
Inventories		**10,191,836**	9,838,625
Trade and other receivables	6	**185,919,564**	165,667,384
Due from related parties	7	**29,611,062**	21,967,006
Cash and cash equivalents	8	**16,380,110**	46,695,301
		242,102,572	244,168,316
TOTAL ASSETS		**351,001,826**	298,185,140
EQUITY AND LIABILITIES			
Equity			
Share capital	14	**200,000,000**	200,000,000
Shareholders' account	14	**13,694,953**	13,694,953
Merger reserve		**(5,502,727)**	(5,502,727)
Other reserves	14	**277,334**	277,334
Fair value reserve of financial assets carried at FVOCI		**(29,493,537)**	(28,259,087)
Retained earnings		**57,001,819**	49,830,091
Total equity	5	**235,977,842**	230,040,564
Non-current liabilities			
Lease liabilities		**4,854,892**	400,680
Employees' end of service benefits		**16,253,250**	13,450,494
		21,108,142	13,851,174
Current liabilities			
Trade and other payables	9	**70,997,254**	46,643,272
Income tax and zakat payable	16	**2,651,585**	574,296
Lease liabilities		**1,780,264**	418,032
Vehicle loan		**-**	71,343
Short term borrowings	10	**9,995,130**	-
Due to related parties	7	**8,491,609**	6,586,459
		93,915,842	54,293,402
Total liabilities		**115,023,984**	68,144,576
TOTAL EQUITY AND LIABILITIES		**351,001,826**	298,185,140

Chief Executive Officer

Chief Financial Officer

The attached notes 1 to 17 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)

For the six-month period ended 30 June 2024

	Notes	Six-month period ended 30 June 2024 AED	Six-month period ended 30 June 2023 AED
Revenue	11	**209,224,081**	168,531,537
Other income		**655,372**	240,252
		209,879,453	168,771,789
Staff costs		**(123,860,629)**	(99,705,009)
Inventories consumed		**(20,519,603)**	(14,559,079)
Depreciation	5	**(6,372,625)**	(3,794,135)
Rent		**(1,135,087)**	(1,582,971)
Utilities and fuel costs		**(2,995,887)**	(2,137,381)
Provision for expected credit loss	6	**(3,090,852)**	(5,646,034)
Other expenses		**(21,061,952)**	(14,302,453)
Finance costs		**(1,019,505)**	(395,923)
Profit before tax		**29,823,313**	26,648,804
Taxation and zakat	16	**(2,651,585)**	(59,739)
PROFIT FOR THE PERIOD		**27,171,728**	26,589,065
Basic and diluted earnings per share	15	**0.14**	0.13

The attached notes 1 to 17 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the six-month period ended 30 June 2024

	Six month period ended 30 June	
	2024	*2023*
	AED	*AED*
PROFIT FOR THE PERIOD	**27,171,728**	26,589,065
Other comprehensive loss:		
Items that will not be reclassified subsequently to profit or loss:		
Decrease in fair value of investment at fair value through other comprehensive income	**(1,234,450)**	(13,547,709)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**25,937,278**	13,041,356

The attached notes 1 to 17 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
For the six-month period ended 30 June 2024

	Share capital AED	*Shareholders' account AED*	*Merger reserve AED*	*Other reserves AED*	*Fair value reserve of financial assets at FVOCI AED*	*Retained earnings AED*	*Total AED*
Balance at 1 January 2023 (audited)	200,000,000	13,694,953	(5,502,727)	277,334	-	14,441,670	222,911,230
Profit for the period	-	-	-	-		26,589,065	26,589,065
Other comprehensive loss	-	-	-	-	(13,547,709)	-	(13,547,709)
Dividend paid	-	-	-	-	-	(14,000,000)	(14,000,000)
Balance at 30 June 2023 (unaudited)	200,000,000	13,694,953	(5,502,727)	277,334	(13,547,709)	27,030,735	221,952,586
Balance at 1 January 2024 (audited)	200,000,000	13,694,953	(5,502,727)	277,334	(28,259,087)	49,830,091	230,040,564
Profit for the period	-	-	-	-	-	27,171,728	27,171,728
Other comprehensive loss	-	-	-	-	(1,234,450)	-	(1,234,450)
Dividend paid	-	-	-	-	-	(20,000,000)	(20,000,000)
Balance at 30 June 2024 (unaudited)	**200,000,000**	**13,694,953**	**(5,502,727)**	**277,334**	**(29,493,537)**	**57,001,819**	**235,977,842**

The attached notes 1 to 17 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
For the six-month period ended 30 June 2024

	Notes	*30 June 2024* *AED*	*30 June 2023* *AED*
OPERATING ACTIVITIES			
Profit before tax for the period		**29,823,313**	26,648,804
Adjustments for:			
Depreciation of property and equipment	5	**6,372,625**	3,794,135
Depreciation on right of assets		**744,518**	197,169
Provision for employees' end of service benefits		**2,699,695**	1,775,495
Finance costs		**1,019,505**	395,923
Provision for expected credit losses	6	**3,090,852**	5,646,034
Operating cash flows before working capital changes		**43,750,508**	38,457,560
Working capital adjustments:			
Inventories		**(353,211)**	(585,563)
Trade and other receivables		**(1,815,283)**	(44,699,175)
Due from related parties		**(7,644,056)**	533,769
Due to related parties		**1,905,150**	9,810
Trade and other payables		**8,932,668**	7,355,597
Cash generated from operations		**44,775,776**	1,071,998
Employees' end of service benefits paid		**(524,639)**	(699,462)
Finance costs paid		**(897,565)**	(379,104)
Taxes and zakat paid		**(574,296)**	(59,739)
Net cash generated from (used in) operating activities		**42,779,276**	(66,307)
INVESTING ACTIVITIES			
Purchase of property and equipment	5	**(14,850,808)**	(13,078,612)
Disposal of property and equipment	5	**-**	120,935
Cash acquired in business combination	4	**966,555**	-
Cash paid on business combination	4	**(47,788,000)**	-
Net cash used in investing activities		**(61,672,253)**	(12,957,677)
FINANCING ACTIVITIES			
Vehicle loan		**(71,343)**	(261,924)
Short term borrowings	10	**9,995,130**	-
Dividend paid		**(20,000,000)**	(64,000,000)
Payment of lease liabilities		**(1,346,001)**	(361,905)
Net cash used in financing activities		**(11,422,214)**	(64,623,829)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(30,315,191)**	(77,647,813)
Cash and cash equivalents at beginning of the period		**46,695,301**	96,298,115
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		**16,380,110**	18,650,302

The attached notes 1 to 17 form part of these interim condensed consolidated financial statements.

1 GENERAL INFORMATION

Response Plus Holding PJSC ("the Company") is a private joint stock company incorporated under the UAE Federal Law No. 2021. The registered office address of the Company is P.O. Box 130336, Abu Dhabi, United Arab Emirates.

These consolidated financial statements include the results of operations and financial position of the Company and its subsidiaries (together referred to as the "Group"). The principal activities of the Group are medical services, including but not limited to the provision of on-site medical services, occupational health, medical & non-medical training, emergency medical services and the secondment of medical manpower - to other companies, amongst other ancillary services.

The interim condensed consolidated financial statements were approved by the Board of Directors and authorised for issuance on 12 August 2024.

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting.

The interim condensed consolidated financial statements do not include all information and disclosures required in the annual consolidated financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2023. In addition, results for the period ended 30 June 2024 are not necessarily indicative of the results for the year ending 31 December 2024.

The interim condensed consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments that have been measured at fair value.

The interim condensed consolidated financial statements are presented in United Arab Emirates Dirhams ("AED"), which is the presentation currency of the Group and the functional currency of the Company.

2.2 BASIS FOR CONSOLIDATION

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

Control is achieved when the Group:

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

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

2.2 BASIS FOR CONSOLIDATION continued

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

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

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

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the period are included in the interim 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.

When the Group loses control of a subsidiary, a gain or loss is recognised in 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.

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.

2.2 BASIS FOR CONSOLIDATION continued

Details of the Company's subsidiaries are as follows:

Name of subsidiaries	*Beneficial ownership* %*		*Place of incorporation*	*Principal activities*
	2024	*2023*		
Response Plus Medical Services LLC	**100%**	100%	UAE	- Home health services - Management of medical facilities - Ambulance services - Onshore and offshore oil and gas Fields and facilities services
Saudi Response Plus Medical Services Company	**100%**	100%	Kingdom of Saudi Arabia	- Home health services - Management of medical facilities - Ambulance services - Onshore and offshore oil and gas Fields and facilities services - Medical services complex
Occumed Clinic LLC	**100%**	100%	UAE	- Medical services complex
Response Plus Medical Services One Person LLC	**100%**	100%	Oman	- Retail sale of medical products
Response Plus Manpower Supply LLC	**100%**	100%	UAE	- Supply of medically qualified professionals. - Healthcare investment
Response Plus Investment Sole Proprietorship LLC	**100%**	100%	UAE	- Healthcare investment
Response Plus Drug Stores LLC	**100%**	100%	UAE	- Wholesale trading of pharmaceutical supplies - Medical warehouse
Health Tech Training LLC	**100%**	100%	UAE	- Training of medical staff - Onshore, offshore oil and gas field services
Response Plus India Private Limited	**100%**	100%	India	- Training of Medical Staff - Management of medical Facilities - Ambulance services
Prometheus Medical Training Center LLC**	**100%**	-	UAE	- Technical and occupational skills training

* Including assignment of the beneficial shares of 2% based on the shareholders resolution.

** Subsidiary acquired during the period

3 MATERIAL ACCOUNTING POLICY INFORMATION

3.1 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those applied by the Group in the preparation of the consolidated financial statements as at and for the year ended 31 December 2023, except for the adoption of the following new standards, interpretations and amendments effective as of 1 January 2024. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

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

These amendments had no significant impact on the interim condensed consolidated financial statements of the Group.

3.2 Significant accounting estimates and judgements

The preparation of the interim condensed consolidated financial statements in conformity with the International Financial Reporting Standards requires management to make judgment, estimates and assumptions that affect the application of accounting policies and reported amounts of financial assets and liabilities and the disclosure of contingent liabilities. These judgments, estimates and assumptions also affect the revenue, expenses and provisions as well as fair value changes. Actual results may differ from these estimates.

These judgments, estimates and assumptions may affect the reported amounts in subsequent financial years. Estimates and judgments are currently evaluated and are based on historical experience and other factors.

In preparing these interim condensed consolidated financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual consolidated financial statements as at and for the year ended 31 December 2023.

4 BUSINESS COMBINATION

Acquisitions under IFRS 3 business combination

Prometheus Medical Training Center L.L.C

On 24 April 2024, the Group, through its subsidiaries, acquired: (i) 100% share capital of Prometheus Medical Training Center L.L.C. (UAE entity) and Prometheus Medical Europe SA (Swiss entity); and (ii) from Prometheus Medical Limited (UK entity) and Safeguard Medical Nordic AS (Norwegian entity) only their healthcare training and consultancy services business being carried out in UK, Norway and Denmark region. Prometheus is engaged in technical and occupational skills trainings. From the date of acquisition Prometheus contributed revenue and profit to the Group amounting to AED 4,399,403 and AED 749,362 respectively. If the acquisition had taken place at the beginning of the year, Prometheus would have contributed revenue and profit to the Group amounting to AED 13,156,147 and AED 2,372,998 respectively.

4 BUSINESS COMBINATION continued

Acquisitions under IFRS 3 business combination continued

Prometheus Medical Training Center L.L.C continued
The following table summarizes the recognized provisional fair values of assets acquired and liabilities assumed in respect of acquisition:

	AED
Non-current asset	
Property and equipment	261,319
Current assets	
Trade and other receivables	21,527,749
Cash and bank balances	966,555
	22,494,304
Non-current liability	
Employees' end of service benefits	627,700
Current liabilities	
Trade and other payables	6,845,771
Total identifiable net assets	15,282,152
Purchase consideration - paid	47,788,000
Purchase consideration – payable	8,575,543
Goodwill on acquisition	41,081,391

The net assets recognized are based on a provisional assessment of their fair values as at the acquisition date. The Group will finalize the purchase price allocation exercise of the acquisition within one year from the acquisition date, this may result in change in goodwill and recognition of intangible assets.

Acquisition related costs amounting to AED 3,414,384 were expensed during the period and are included in other expenses.

5 PROPERTY AND EQUIPMENT

During the period, additions to property and equipment amounted to AED 14,850,808 (six months period ended 30 June 2023: AED 13,078,612) and there was no disposal (six months period ended 30 June 2023: AED 120,935), excluding property and equipment acquired through business combination. Depreciation for the six months period ended 30 June 2024 amounted to AED 6,372,625 (six months period ended 30 June 2023: AED 3,794,135). Property and equipment acquired through business combination amounted to AED 261,319 (six-month period ended 30 June 2023: NIL).

6 TRADE AND OTHER RECEIVABLES

	(Unaudited) 30 June 2024 AED	*(Audited) 31 December 2023 AED*
Trade receivables	**143,440,982**	116,196,354
Less: provision for expected credit losses	**(25,613,789)**	(22,514,338)
	117,827,193	93,682,016
Unbilled receivables	**36,075,270**	46,065,055
Deposits	**21,095,472**	14,672,617
Prepayments	**7,913,075**	7,219,557
Advances and other receivables	**3,008,554**	4,028,139
	185,919,564	165,667,384

Movement in the provision for expected credit losses is as follows:

	(Unaudited) 30 June 2024 AED	*(Audited) 31 December 2023 AED*
At the beginning of the period / year	**22,514,338**	12,271,534
Acquired in business combination	**8,599**	-
Charge for the period / year	**3,090,852**	10,242,804
At the end of the period / year	**25,613,789**	22,514,338

7 RELATED PARTIES BALANCES AND TRANSACTIONS

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 mutually agreed between the parties.

	(Unaudited) 30 June 2024 AED	*(Audited) 31 December 2023 AED*
Due from related parties:		
Entities under common control	**29,611,062**	21,967,006
Due to related parties:		
Entities under common control	**8,491,609**	6,586,459

Terms and conditions with related parties
Outstanding balances at the period-end arise in the normal course of business and due to receipt and payment transactions. The Group have not recorded any impairment of amounts due from related parties. This assessment is undertaken each reporting date through examining the financial position of the related party and the market in which the related party operates.

7 RELATED PARTIES TRANSACTIONS continued

Terms and conditions with related parties continued
During the period, the Group entered into the following transactions with the related parties:

	Six month period ended 30 June	
	2024	*2023*
	AED	*AED*
Revenue	**9,018,941**	6,722,336
Staff costs	**1,125**	696
Costs recharged by a related party	**46,620**	879,230

8 CASH AND CASH EQUIVALENTS

	(Unaudited)	*(Audited)*
	30 June	*31 December*
	2024	*2023*
	AED	*AED*
Cash in hand	**86,264**	90,941
Cash at bank	**16,293,846**	26,604,360
Fixed deposits (with original maturities less than 3 months)	**-**	20,000,000
	16,380,110	46,695,301

9 TRADE AND OTHER PAYABLES

	(Unaudited)	*(Audited)*
	30 June	*31 December*
	2024	*2023*
	AED	*AED*
Trade payables	**35,712,118**	31,117,507
Zakat and VAT payable	**3,461,412**	2,583,110
Staff costs payable	**13,779,686**	8,314,118
Accrued expenses	**7,294,546**	3,068,431
Other payables	**10,749,492**	1,560,106
	70,997,254	46,643,272

10 SHORT TERM BORROWINGS

During the period, Response Plus Medical Services LLC, a subsidiary, entered into a discounting facility with a commercial bank in Abu Dhabi to finance its working capital requirements. The facility carries an interest margin rate at applicable EIBOR + 1.25% per annum and is payable within 90 to 120 days. As at 30 June 2024, the Group has utilised AED 10 million from the total available facility of AED 40 million.

The Group has also entered into an overdraft facility agreement which carries an interest rate of 1 Month EIBOR + 1.75%. At 30 June 2024, no balance was utilised.

The facilities are secured by assignment of receivables, pledge on collection account and a corporate guarantee.

11 REVENUE

11.1 Types of revenue	*Six month period ended 30 June*	
	2024	*2023*
	AED	*AED*
	(Unaudited)	*(Unaudited)*
Contract revenue	**156,261,177**	130,987,217
Medical services	**31,272,173**	26,369,745
Medical goods	**14,789,702**	7,543,528
Training	**6,631,495**	2,667,900
Other services	**269,534**	963,147
	209,224,081	168,531,537

	Six month period ended 30 June	
	2024	*2023*
	AED	*AED*
Timing of revenue recognition		
Services transferred over time	**194,434,379**	160,988,009
Services and goods transferred at a point in time	**14,789,702**	7,543,528
Total	**209,224,081**	168,531,537
Geographical markets		
United Arab Emirates	**181,722,896**	159,697,706
Kingdom of Saudi Arabia	**27,386,705**	8,659,275
Sultanate of Oman	**114,480**	174,556
Total	**209,224,081**	168,531,537

12 CONTINGENT LIABILITIES

	(Unaudited)	*(Audited)*
	30 June	*31 December*
	2024	*2023*
	AED	*AED*
Letters of guarantees	**43,582,939**	36,616,843
Capital commitments	**-**	2,100,000

At 30 June 2024, the subsidiaries had capital expenditure commitments and contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise.

13 SEGMENT REPORTING AND SEASONALITY OF RESULTS

No significant income of seasonal nature was recorded in the interim consolidated statement of comprehensive income for the six months period ended 30 June 2024 and 30 June 2023.

There is only one significant segment i.e. supply of manpower and medical equipment and management of hospitals, clinics and medical centers. Training is not considered as a significant segment as it currently generates less than 4% of the Group's revenue. The Group operates in the said reportable operating segment based on the nature of products, risks and returns, organisational and management structure and internal financial reporting systems. Accordingly, the figures reported in these interim condensed consolidated financial statements relates to the Group's only reportable segment.

14 SHARE CAPITAL

	(Unaudited) 30 June 2024 AED	*(Audited) 31 December 2023 AED*
Authorised, issued and fully paid shares		
200,000,000 ordinary shares (31 December 2023: 200,000,000 ordinary shares) of AED 1 each (31 December 2023: AED 1 each)	**200,000,000**	200,000,000

14.1 Other reserves

Other reserves represent statutory reserves relating to subsidiaries. These reserves are not available for distribution except in such circumstances as specified in the relevant laws and regulations applicable to the respective entities in their country of incorporation.

14.2 Shareholders' account

Shareholders' account represents funds provided by a founding shareholder of the Company, towards meeting the Group's long term capital requirements. These funds are unsecured, interest free and repayment is at the discretion of the Company.

15 BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share are calculated by dividing the profit for the period of the Company by the weighted average number of shares in issue throughout the period as follows:

	Six month period ended 30 June	
	2024 AED	*2023 AED*
Profit attributable to the owners of the Company (AED)	**27,428,494**	26,589,065
Weighted average number of shares	**200,000,000**	200,000,000
Basic and diluted earnings per share for the period (AED)	**0.14**	0.13

16 TAXATION

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the interim consolidated statement of profit or loss are:

Current income tax - UAE
The movement in the current taxation account is as follows:

	(Unaudited) 30 June 2024 AED	*(Audited) 31 December 2023 AED*
Balance at the beginning of the period / year	-	-
Tax expense	2,394,819	-
At end of the period / year	2,394,819	-
Income tax payable	2,394,819	-

Current income tax and zakat - KSA
The movement in the current taxation account is as follows:

	(Unaudited) 30 June 2024 AED	*(Audited) 31 December 2023 AED*
Balance at the beginning of the period / year	574,296	438,403
Tax expense and zakat	256,766	574,296
Payments	(574,296)	(438,403)
At end of the period / year	256,766	574,296
Income tax and zakat payable	256,766	574,296

At 30 June 2024, there were no amounts recognised directly to equity or in other comprehensive income.

	(Unaudited) 30 June 2024 AED	*(Audited) 31 December 2023 AED*
Current income tax		
United Arab Emirates	2,394,819	-
Kingdom of Saudia Arabia	256,766	574,296
Tax expense and zakat	2,651,585	574,296
Income tax and zakat payable	2,651,585	574,296

17 FAIR VALUES OF FINANCIAL INSTRUMENTS

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

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

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

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

The following table gives information about how the fair value of the Company's assets are determined.

	30 June 2024 AED	*31 December 2023 AED*	***Fair value hierarchy***	***Valuation techniques and key inputs***	***Significant unobservable input***	***Relationship of unobservable inputs to fair value***
Financial assets						
Non-listed equity investments	**6,680,481**	7,914,931	Level 3	Last transaction price	Net assets value	Higher the net assets value of the investees, higher the fair value.

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