Palms Sports PJSC

DIRECTORS' REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2024

Palms Sports PJSC

DIRECTORS' REPORT

31 DECEMBER 2024

DIRECTORS' REPORT
For the year ended 31 December 2024

The Directors have the pleasure to present their report, together with the audited consolidated financial statements of Palms Sports PJSC (the "Company") and its subsidiaries (together referred to as the "Group"), for the year ended 31 December 2024.

Principal activities
The Group's principal activities are trading sports goods, providing sport enterprises investment, education services enterprise investment, security guards services, physiotherapy and sports injury rehabilitation.

Results for the year
During the year ended 31 December 2024, the Group reported revenue of AED 1,051,113,107 (2023: AED 576,506,639) and profit after tax of AED 109,180,921 (2023: AED 105,093,823).

Release
The Directors release from liability the management and the external auditor in connection with their duties for the year ended 31 December 2024.

Auditors
A resolution proposing the reappointment of Ernst & Young as auditors of the Group for the year ending 31 December 2025 will be put to the shareholders at Annual General Meeting.

for and on behalf of the Board of Directors

Chairman

Date 20/01/25

Abu Dhabi

Palms Sports PJSC

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2024

Building a better
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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

PALMS SPORTS PJSC

Report on the Audit of the Consolidated Financial Statements

Opinion
We have audited the consolidated financial statements of Palms Sports PJSC (the "Company") and its subsidiaries (together referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2024, 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 consolidated financial position of the Group as at 31 December 2024 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing ("ISA"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the "IESBA Code") together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

PALMS SPORTS 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 the control of the goods or services is transferred to the customers. The Group mainly provides specialized sports training services and sales of materials with regards to Jiu-Jitsu, mixed martial arts, combat sports, security guards services and educational services. Revenue from services is recognized over time and revenue from sales of materials is recognized at a point in time (refer note 3 to the consolidated financial statements for the revenue recognition policy of the Group).

During the year ended 31 December 2024, total revenue of the Group amounted to AED 1,051,113,107. Given the magnitude of the amount and inherent risk of revenue overstatement, we consider revenue recognition to be a key audit matter.

To address the above risk, we performed or involved component auditors to perform, the following procedures among others:

- We performed procedures to assess whether the revenue recognition criteria adopted by the Group is appropriate and is in line with the Group's accounting policy;
- Assessed the compliance of such policies with the applicable International Financial Reporting Standards;
- Inspected the contracts with customers, on a sample basis, to test the total contract values, invoicing terms, payment terms, monthly rates per coaches, and rates of other material supplied to the customers;
- Selected a representative sample of transactions and tested their occurrence, accuracy and recognition, by tracing them back to supporting documents;
- We performed cut off procedures, including selecting the sample of transactions before and after the year end to evaluate the recognition in the current reporting period;
- Performed analytical procedures, including gross profit margin analysis, to identify inconsistencies and/or unusual movements during the year; and
- Assessed the adequacy of the Group's disclosure in the consolidated financial statements in connection with revenue recognition.

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

PALMS SPORTS PJSC continued

Report on the Audit of the Consolidated Financial Statements continued

Responsibilities of management and those charged with governance for the consolidated financial statements
Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs and in compliance with the applicable provisions of the Memorandum and Articles of Association of the Group and the UAE Federal Law No. (32) of 2021, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the consolidated financial statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

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

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

PALMS SPORTS PJSC continued

Report on the Audit of the Consolidated Financial Statements continued

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

- 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, action taken to eliminate threats or safeguards applied.

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

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

PALMS SPORTS 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 2024:

i) we have obtained all the information we considered necessary for the purposes of our audit;

ii) the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Law No. (32) of 2021 and the Memorandum and Articles of Association of the Company;

iii) the Group has maintained proper books of account;

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

v) investments in shares and stocks are included in note 9 to the consolidated financial statements;

vi) note 12 reflects material related party transactions and the terms under which they were conducted;

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

viii) during the year, the Group made social contributions of AED 2,938,657.

For Ernst & Young

Ahmad Al Dali
Registration No 5548

20 January 2025
Abu Dhabi, United Arab Emirates

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2024

	Notes	2024 AED	2023 AED
ASSETS			
Non-current assets			
Property and equipment	5	**93,642,650**	47,998,287
Prepayments	11	**7,010,519**	5,835,505
Intangible assets and goodwill	6	**82,258,670**	87,449,925
Investment in joint ventures	7	**5,358,953**	4,981,729
Right-of-use asset	8	**12,526,825**	6,148,871
Investments in financial assets	9	**28,833,472**	30,694,611
		229,631,089	183,108,928
Current assets			
Inventories	10	**6,795,170**	6,559,432
Investments in financial assets	9	**77,739,726**	94,246,300
Trade and other receivables	11	**394,795,181**	321,012,464
Amounts due from related parties	12	**92,431,478**	65,665,070
Loans to related parties	12	**4,300,000**	5,700,000
Cash and bank balances	13	**306,189,489**	284,578,480
		882,251,044	777,761,746
TOTAL ASSETS		**1,111,882,133**	960,870,674
EQUITY AND LIABILITIES			
Equity			
Share capital	14	**150,000,000**	150,000,000
Additional capital contribution		**-**	209,369
Legal reserve	15	**52,489,578**	41,528,416
Merger reserve		**4,267,579**	5,642,390
Cumulative changes on revaluation of investments		**(4,420,372)**	(528,078)
Retained earnings		**372,846,008**	374,196,053
Equity attributable to the Owners of the Company		**575,182,793**	571,048,150
Non-controlling interest		**238,224**	405,552
Total equity		**575,421,017**	571,453,702
Non-current liabilities			
Provision for employees' end of service benefits	16	**125,870,684**	108,201,748
Deferred tax liability	24	**4,644,137**	6,408,692
Lease liabilities	8	**8,729,566**	4,777,616
Bank borrowings	17	**157,333,333**	120,000,000
		296,577,720	239,388,056
Current liabilities			
Trade and other payables	18	**133,721,886**	111,114,625
Amounts due to related parties	12	**10,034,021**	7,037,169
Current tax liabilities	24	**13,723,980**	-
Bank borrowings	17	**78,908,067**	30,000,000
Lease liability	8	**3,495,442**	1,877,122
		239,883,396	150,028,916
Total liabilities		**536,461,116**	389,416,972
TOTAL EQUITY AND LIABILITIES		**1,111,882,133**	960,870,674

Chief Executive Officer

Director

The attached notes 1 to 30 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the year ended 31 December 2024

	Notes	**2024 AED**	2023 AED
Revenue from contracts with customers	20	**1,051,113,107**	576,506,639
Direct costs	21	**(846,975,619)**	(438,575,560)
GROSS PROFIT		**204,137,488**	137,931,079
General and administrative expenses	22	**(65,822,483)**	(31,005,064)
Share of profit (loss) of joint ventures	7	**377,224**	(475,262)
Change in fair value of financial assets carried at fair value through profit and loss	9.2	**(19,133,858)**	(15,082,515)
Finance income		**7,260,317**	7,102,675
Dividend income		**593,080**	1,014,630
Finance costs		**(16,371,873)**	(4,689,384)
Reversal of provision for expected credit losses, net		**573,630**	6,109,112
Bargain purchase on acquisition of a subsidiary	25.3	**-**	670,447
Other income		**9,911,773**	3,538,040
PROFIT FOR THE YEAR BEFORE TAX		**121,525,298**	105,113,758
Income tax expense	24	**(12,344,377)**	(19,935)
PROFIT FOR THE YEAR AFTER TAX		**109,180,921**	105,093,823
Attributable to:			
Owners of the Company		**109,611,617**	105,336,235
Non-controlling interest		**(430,696)**	(242,412)
		109,180,921	105,093,823
Basic and diluted earnings per share attributable to Owners of the Company	26	**0.73**	0.70

The attached notes 1 to 30 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2024

	Note	***2024 AED***	*2023 AED*
PROFIT FOR THE YEAR		**109,180,921**	105,093,823
Other comprehensive income (loss) (net of tax)			
Items that will not be reclassified to profit or loss:			
Change in fair value of financial assets carried at fair value through other comprehensive income		**(3,807,681)**	69,885
Amount reclassified to merger reserve on acquisition of subsidiary		**(84,613)**	-
Total other comprehensive (loss) income, net of tax		**(3,892,294)**	69,885
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, AFTER TAX		**105,288,627**	105,163,708
Attributable to:			
Owners of the Company		**105,719,323**	105,406,120
Non-controlling interest		**(430,696)**	(242,412)
		105,288,627	105,163,708

The attached notes 1 to 30 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2024

	Attributable to equity holders of the Company								
	Share Capital AED	*Additional capital contribution AED*	*Legal reserve AED*	*Merger reserve AED*	*Cumulative changes in fair value AED*	*Retained earnings AED*	*Total AED*	*Non-controlling interest AED*	*Total equity AED*
Balance at 1 January 2023	150,000,000	-	31,019,034	5,642,390	(597,963)	279,369,200	465,432,661	647,964	466,080,625
Profit for the year	-	-	-	-	-	105,336,235	105,336,235	(242,412)	105,093,823
Other comprehensive income for the year	-	-	-	-	69,885	-	69,885	-	69,885
Total comprehensive income for the year	-	-	-	-	69,885	105,336,235	105,406,120	(242,412)	105,163,708
Transfer of profit for the year to legal reserve (note 15)	-	-	10,509,382	-	-	(10,509,382)	-	-	-
Additional capital contribution (note 9.1)	-	209,369	-	-	-	-	209,369	-	209,369
Balance at 31 December 2023	150,000,000	209,369	41,528,416	5,642,390	(528,078)	374,196,053	571,048,150	405,552	571,453,702
Balance at 1 January 2024	150,000,000	209,369	41,528,416	5,642,390	(528,078)	374,196,053	571,048,150	405,552	571,453,702
Profit for the year	-	-	-	-	-	109,611,617	109,611,617	(430,696)	109,180,921
Other comprehensive income for the year	-	-	-	-	(3,892,294)	-	(3,892,294)	-	(3,892,294)
Total comprehensive income for the year	-	-	-	-	(3,892,294)	109,611,617	105,719,323	(430,696)	105,288,627
Transfer of profit for the year to legal reserve (note 15)	-	-	10,961,162	-	-	(10,961,162)	-	-	-
Dividends paid (note 14)	-	-	-	-	-	(100,000,500)	(100,000,500)	-	(100,000,500)
Acquisition of subsidiary (note 25.2)	-	-	-	-	-	-	-	263,368	263,368
Acquisition of subsidiary under common control (note 25.1)	-	(209,369)	-	(1,374,811)	-	-	(1,584,180)	-	(1,584,180)
Balance at 31 December 2024	**150,000,000**	-	**52,489,578**	**4,267,579**	**(4,420,372)**	**372,846,008**	**575,182,793**	**238,224**	**575,421,017**

The attached notes 1 to 30 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2024

	Notes	*2024* *AED*	*2023* *AED*
OPERATING ACTIVITIES			
Profit before tax for the year		**121,525,298**	105,113,758
Adjustments for:			
Depreciation of property and equipment	5	**8,857,596**	1,803,052
Amortisation of intangible assets	6	**6,137,785**	2,625,903
Depreciation of right-of-use asset	8	**4,352,072**	667,692
Provision for slow moving inventory	10	**195,626**	54,256
Gain on disposal of property and equipment		**(72,448)**	(2,960)
Share of (profit) loss of joint ventures	7	**(377,224)**	475,262
Change in fair value of financial assets carried at fair value through profit and loss	9.2	**19,133,858**	15,082,515
Gain on termination of lease		**(18,037)**	-
Reversal of provision for expected credit losses, net		**(573,630)**	(6,109,112)
Provision for employees' end of service benefits	16	**25,313,066**	10,797,197
Finance income		**(7,260,317)**	(7,102,675)
Bargain purchase on acquisition of a subsidiary	25	**-**	(670,447)
Finance costs		**16,371,873**	4,689,384
		193,585,518	127,423,825
Working capital changes:			
Inventories		**(431,364)**	(1,119,433)
Trade and other receivables and prepayments		**(63,316,479)**	55,665,875
Amounts due from related parties		**(25,363,408)**	(33,563,870)
Trade and other payables		**2,411,553**	1,146,333
Amounts due to related parties		**(36,505)**	1,898,977
Cash generated from operations		**106,849,315**	151,451,707
Employees' end of service benefits paid	16	**(11,482,035)**	(3,946,467)
Finance costs paid		**(15,764,736)**	(4,504,915)
Net cash from operating activities		**79,602,544**	143,000,325
INVESTING ACTIVITIES			
Purchase of property and equipment	5	**(2,046,087)**	(439,229)
Proceeds from disposal of property and equipment		**160,669**	2,960
Movement in term deposits with original maturities more than three months and margin deposits		**87,672,874**	7,835,956
Finance income received		**5,803,409**	5,769,347
Purchase of investments in financial assets at FVTOCI	9.1	**(433,568)**	(627,993)
Purchase of investments in financial assets at FVTPL	9.2	**(2,627,284)**	(11,258,480)
Proceeds from sale of financial assets at FVTPL	9.2	**-**	12,810,037
Purchase of investments in financial assets at amortised cost	9.3	**(735,000)**	-
Net cash received (paid) on acquisition of subsidiaries	25	**271,779**	(233,151,375)
Net cash generated from (used in) investing activities		**88,066,792**	(219,058,777)

CONSOLIDATED STATEMENT OF CASH FLOWS continued
For the year ended 31 December 2024

	Notes	2024 AED	2023 AED
FINANCING ACTIVITIES			
Receipts of bank borrowings	17	**90,000,000**	150,000,000
Repayments of bank borrowings	17	**(43,000,000)**	(195,224)
Repayment of lease liability	8	**(5,384,953)**	(106,430)
Dividends paid		**(100,000,500)**	-
Loans to related parties		**-**	(5,700,000)
Net cash (used in) generated from financing activities		**(58,385,453)**	143,998,346
NET INCREASE IN CASH AND CASH EQUIVALENTS		**109,283,883**	67,939,894
Cash and cash equivalents at the beginning of the year		**131,978,219**	64,038,325
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	13	**241,262,102**	131,978,219

The attached notes 1 to 30 form part of these consolidated financial statements.

1 GENERAL INFORMATION

Palms Sports PJSC (the "Company") is a private joint stock company incorporated in Abu Dhabi under UAE Federal Law No. (2) of 2015. The address of its registered office is at P.O. Box 39877, 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 Group's principal activities are trading sports goods, providing sport enterprises investment, education services enterprise investment, security guards services, physiotherapy and sports injury rehabilitation.

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

The consolidated financial statements were approved by the Board of Directors and authorised for issue on 20 January 2025.

2.1 BASIS OF PREPARATION

These consolidated financial statements have been prepared on a historical cost basis, except for investments in financial assets at fair value through profit or loss and fair value through other comprehensive income which are measured at fair value.

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

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 applicable requirements of laws of the United Arab Emirates.

2.2 BASIS OF CONSOLIDATION

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

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

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses 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. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

2.2 BASIS OF CONSOLIDATION continued

Non-controlling interest represent the portion of profit or loss and net assets of subsidiaries not owned directly or indirectly by the Parent Company. Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group 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 into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Details of subsidiaries as at 31 December 2024 and 31 December 2023 were as follows:

Name of subsidiary	*Place of incorporation and operation*	*Principal activities*	*Proportion of ownership interest and voting power held*	
			2024	*2023*
Direct Trading LLC	United Arab Emirates	Distribution Company	**60%**	60%
Palms Sports Events LLC	United Arab Emirates	Dormant Company	**100%**	100%
Securiguard Middle East LLC	United Arab Emirates	Provision of security guards and cleaning services	**100%**	100%
Secure Recruitment Services Establishment LLC	United Arab Emirates	Provision of recruitment services	**100%**	100%
Secure Facilities General Maintenance LLC OPC	United Arab Emirates	Dormant Company	**100%**	100%
Securiguard Parking management - Sole Proprietorship L.L.C.	United Arab Emirates	Dormant Company	**100%**	100%
YAS Physiotherapy Center - L.L.C.	United Arab Emirates	Physiology Treatment Centre	**80%**	-
Palm Security Services – L.L.C – O.P.C*	United Arab Emirates	Dormant Company	**100%**	-
Learn Educational Investment LLC	United Arab Emirates	Holding Company	**100%**	-
Below are the subsidiaries of Learn Educational Investment LLC:				
Al Rabeeh Academy LLC	United Arab Emirates	Provision of education services	**100%**	-
Al Rabeeh School LLC	United Arab Emirates	Provision of education services	**100%**	-

* The company has been incorporated during the year ended 31 December 2024.

2.3 CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following new standards, interpretations and amendments effective as of 1 January 2024. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

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

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

2.4 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.

- Lack of exchangeability – Amendments to IAS 21
- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures

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.

3 MATERIAL ACCOUNTING POLICY INFORMATION

Business combinations and goodwill

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

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

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

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

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

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

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

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

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

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

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

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

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

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

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

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

Investments in a Joint venture
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 joint ventures are accounted for using the equity method.

The results and assets and liabilities of 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 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 joint venture since the acquisition date. Goodwill relating to the 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 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 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 joint venture are eliminated to the extent of the interest in the joint venture.

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

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

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its 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 joint venture and its carrying value, and then recognises the loss within 'Share of profit of a joint venture' in the consolidated statement of profit or loss.

When Group's share of losses in a 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 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 joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

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

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

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

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

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

Step 5: Recognise revenue: When (or as) the Group satisfies a performance obligation.

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

The Group is in the business of providing specialized sports training services with regards to Jiu-Jitsu, mixed martial arts, combat sports and security guards and onshore and offshore cleaning services to its customers. 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 which the Group expects to be entitled in exchange for those goods or services. Revenue from training services is recognised over time.

Rendering of security guard and cleaning services
A subsidiary of the Group provides services of security guards and onshore and offshore oil cleaning services to its customers. The Group recognises revenue from the services over time because the customer simultaneously receives and consumes the benefits provided to them.

Rendering of education and other related services
A subsidiary of the Group provides education and other related services to its customers. Tuition fees income is recognised on a monthly basis over the academic year. Tuition fees received in advance are recorded as deferred income. Registration fees are recognised as income on forfeiture when a registered student does not join the Group and registration fees for the new students who join the Group is adjusted against the tuition fee.

Sale of materials
Revenue from sale of materials is recognised at the point in time when control is transferred to the customer, generally on delivery of the materials at the customer's location.

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

Sponsorship income
Sponsorship income is earned to promote the tournament sponsors and is recognised over the time.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Revenue recognition continued
Rendering of physiotherapy services
Revenue from rendering of physiotherapy services is recognised at the point in time when control is transferred to the customer, generally at the time of provision of services.

Property and equipment
Property and equipment are stated at historical cost less accumulated depreciation and accumulated impairment loss. Historical cost includes expenditure that is directly attributable to the acquisition of the asset.

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 in the period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate the assets' cost to their residual values over their estimated useful lives as follows:

	Years
Furniture and fixtures	4-5
Office equipment	4-5
Motor vehicles	4-5
Building	25
Security equipment	5
Library books and other resources	7

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. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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 profit or loss.

Intangible assets
Intangible assets acquired separately are reported at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is charged on a straight-line basis over their estimated useful lives. The estimated useful lives are reviewed at the end of each annual reporting period, with effect of any changes in estimate being accounted for on a prospective basis.

Amortisation is calculated using the straight-line method to allocate the assets' cost to their residual values over their estimated useful lives as follows:

	Years
Computer software	4
Customer and supplier contracts	4-10
Brand and Trademark	15

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

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

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Leases continued
The Group as a lessee continued

i) Right-of-use assets

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

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

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

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in - substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating 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 of property (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). Lease payments on short-term leases and leases of low-value assets (less than USD 5,000 in value) are recognised as expense on a straight-line basis over the lease term.

Inventories
Inventories are stated at the lower of cost and net realisable value after adjusting allowance for any slow and non-moving items. Inventories are valued at the first-in first-out basis and comprises purchase price, freight and other charges incurred in bringing inventory to its present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated selling expenses.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Impairment of non-financial assets
At the end of each reporting period, the Group reviews the carrying amounts of its non-financial 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.

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 profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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 years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

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

i) Financial assets

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

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

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

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

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

The Group has the following financial assets:

3 **MATERIAL ACCOUNTING POLICY INFORMATION** continued

Financial instruments continued

i) **Financial assets** continued

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 profit or loss when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost include trade and other receivables, due from related parties, certain investments and cash and bank balances.

Cash and short-term deposits
Cash and short-term deposits in the consolidated statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

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 dividend income in the consolidated statement of profit or loss 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.

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

This category includes quoted equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on quoted equity investments are recognised under dividend income in the consolidated statement of comprehensive income when the right of payment has been established.

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

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

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Financial instruments continued

i) Financial assets continued

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

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

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

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
  - the Group has transferred substantially all the risks and rewards of the asset, or
  - the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

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

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

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

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

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

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Financial liabilities and equity instruments continued

Equity instruments

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

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

Financial liabilities

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

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

The financial liabilities of Group include lease liability, trade and other payables, due to related parties and bank borrowings.

Derecognition

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

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.

Employee benefits

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

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 benefit is disclosed as a non-current liability.

Pension contributions are made in respect of UAE national employees to the UAE General Pension and Social Security Authority in accordance with the UAE Federal Law No. (2), 2000 for Pension and Social Security. Such contributions are charged to profit or loss during the employees' period of service.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Foreign currencies
For the purpose of these consolidated financial statements, the UAE Dirhams (AED) is the functional and the presentation currency of the Group.

Transactions in currencies other than AED (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in profit or loss in the period in which they arise. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

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.

Income tax expense
The tax expense for the period comprises current and deferred tax. Tax is recognized in the consolidated statement of comprehensive income except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred tax is recognised on all temporary differences at the reporting date between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit, with the following exceptions:

- Where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss;

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and

- Deferred tax assets are recognised only to the extent that it is probable that a taxable profit will be available against which the deductible temporary differences and carried forward tax credits or tax losses 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 assets to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates and tax laws enacted or substantively enacted at the reporting date.

Current and deferred tax is charged or credited directly to other comprehensive income or equity if it relates to items that are credited or charged to, respectively, other comprehensive income or equity. Otherwise, income tax is recognised in the consolidated statement of comprehensive income.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Fair value measurement
For measurement and disclosure purposes, the Group determines the fair value of an asset or liability at initial measurement or at each reporting 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, regardless of whether that price is directly observable or estimated using another valuation technique. 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 to the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on the basis as explained above, except for share-based payment transactions that are within the scope of IFRS 2; leasing transactions that are within the scope of IFRS 16 and measurements that have some similarities to fair value, but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

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

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

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

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

Contingencies
Contingent liabilities are not recognised in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are not recognised in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

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 classified as current when it is:

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

All other assets are classified as non-current.

A liability is classified as current when:

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

The Group classifies all other liabilities as non-current.

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

- When the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

- When receivables and payables are stated with the amount of VAT included. The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

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

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

While applying the accounting policies as stated in note 3, management of the Group has made certain judgments, estimates and assumptions that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period of the revision in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The significant judgments and estimate made by management are summarised as follows:

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

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

Impairment of non-financial assets
The Group determines whether property and equipment, intangible assets and right-of-use asset are impaired when events or changes in circumstances indicate that the carrying amount may not be recoverable. If an indicator of impairment exists, the Group determines the value in use of the cash generating units, where an indicator has been identified. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash generating units and also choose a suitable discount rate in order to calculate the present value of those cash flows. Management has determined no impairment indicators existed as of 31 December 2024 and the carrying values of property and equipment, intangible assets and right-of-use asset are fully recoverable.

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

At the reporting date, gross inventories were AED 7,663,980 (2023: AED 7,232,616) with an allowance for slow moving inventories of AED 868,810 (2023: AED 673,184).

Provision for Expected Credit Losses (ECLs) for trade receivables and amounts due from related parties
The Group uses a provision matrix to calculate ECLs for trade receivables and amounts due from related parties. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS continued

Key estimates and assumptions continued
Provision for Expected Credit Losses (ECLs) for trade receivables and amounts due from related parties continued
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.

The Group has also performed the specific assessment for some customers based on the risk profile to calculate the ECL using the simplified approach.

At the reporting date, gross trade receivables and amounts due from related parties were AED 355,418,773 (2023: AED 302,157,170) and AED 93,518,597 (2023: 65,665,070) respectively, and the allowance for expected credit losses was AED 24,624,615 (2023: AED 25,187,087) and AED 1,087,119 (2023: AED nil) respectively. Any difference between the amounts actually collected in future periods and the net carrying amounts is recognised in the consolidated statement of profit or loss.

Fair value measurement of financial instruments
When the fair values of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. Refer to note 28 for further disclosures.

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

5 PROPERTY AND EQUIPMENT

	Building AED	*Office equipment AED*	*Furniture and fixtures AED*	*Motor vehicles AED*	*Security equipment AED*	*Library books and other resources AED*	*Total AED*
2024							
Cost:							
At 1 January 2024	62,098,114	5,461,713	1,967,311	3,095,147	7,916,817	-	80,539,102
Acquired in business acquisitions (note 25)	88,551,358	7,799,963	10,821,032	147,000	-	4,558,020	111,877,373
Additions	71,810	1,075,469	68,760	77,524	707,505	45,019	2,046,087
Disposals	(17,800)	(239,798)	(634,968)	(237,808)	-	-	(1,130,374)
At 31 December 2024	**150,703,482**	**14,097,347**	**12,222,135**	**3,081,863**	**8,624,322**	**4,603,039**	**193,332,188**
Depreciation:							
At 1 January 2024	16,563,259	4,527,065	1,916,623	2,171,857	7,362,011	-	32,540,815
Acquired in business acquisitions (note 25)	38,406,823	6,459,585	10,334,212	87,612	-	4,045,048	59,333,280
Charge for the year	6,573,488	961,697	389,508	241,774	469,966	221,163	8,857,596
Disposals	(17,800)	(239,798)	(634,968)	(149,587)	-	-	(1,042,153)
At 31 December 2024	**61,525,770**	**11,708,549**	**12,005,375**	**2,351,656**	**7,831,977**	**4,266,211**	**99,689,538**
Net carrying amount:							
At 31 December 2024	**89,177,712**	**2,388,798**	**216,760**	**730,207**	**792,345**	**336,828**	**93,642,650**
2023							
Cost:							
At 1 January 2023	-	1,237,001	1,525,553	1,152,336	-	-	3,914,890
Acquired in business acquisitions (note 25)	62,098,114	4,131,047	416,971	1,888,386	7,908,662	-	76,443,180
Additions	-	120,365	24,787	285,922	8,155	-	439,229
Disposals	-	(26,700)	-	(231,497)	-	-	(258,197)
At 31 December 2023	62,098,114	5,461,713	1,967,311	3,095,147	7,916,817	-	80,539,102
Depreciation:							
At 1 January 2023	-	1,136,664	1,503,604	757,414	-	-	3,397,682
Acquired in business acquisitions (note 25)	15,410,663	3,234,886	396,147	1,411,106	7,145,476	-	27,598,278
Charge for the year	1,152,596	182,215	16,872	234,834	216,535	-	1,803,052
Disposals	-	(26,700)	-	(231,497)	-	-	(258,197)
At 31 December 2023	16,563,259	4,527,065	1,916,623	2,171,857	7,362,011	-	32,540,815
Net carrying amount:							
At 31 December 2023	45,534,855	934,648	50,688	923,290	554,806	-	47,998,287

6 INTANGIBLE ASSETS AND GOODWILL

	Computer software AED	*Goodwill AED*	*Customer and supplier contracts AED*	*Brand and trademark AED*	*Total AED*
2024					
Cost:					
At 1 January 2024	750,550	18,678,136	38,232,488	33,280,711	90,941,885
Amounts written off during the year	(750,550)	-	-	-	(750,550)
Acquired in business acquisitions (note 25)	594,304	946,530	-	-	1,540,834
At 31 December 2024	**594,304**	**19,624,666**	**38,232,488**	**33,280,711**	**91,732,169**
Accumulated amortisation:					
At 1 January 2024	750,550	-	1,817,452	923,958	3,491,960
Acquired in business acquisitions (note 25)	594,304	-	-	-	594,304
Amounts written off during the year	(750,550)	-	-	-	(750,550)
Charge for the year	-	-	3,919,071	2,218,714	6,137,785
At 31 December 2024	**594,304**	-	**5,736,523**	**3,142,672**	**9,473,499**
Carrying amount:					
At 31 December 2024	-	**19,624,666**	**32,495,965**	**30,138,039**	**82,258,670**
2023					
Cost:					
At 1 January 2023	750,550	2,715,651	527,000	-	3,993,201
Acquired in business acquisitions (note 25)	-	15,962,485	37,705,488	33,280,711	86,948,684
At 31 December 2023	750,550	18,678,136	38,232,488	33,280,711	90,941,885
Accumulated amortisation:					
At 1 January 2023	750,550	-	115,507	-	866,057
Charge for the year	-	-	1,701,945	923,958	2,625,903
At 31 December 2023	750,550	-	1,817,452	923,958	3,491,960
Carrying amount:					
At 31 December 2023	-	18,678,136	36,415,036	32,356,753	87,449,925

During the year ended 31 December 2024, management performed its annual impairment review of goodwill using the discounted cashflow model approach. The estimated recoverable amounts exceeded the carrying values and as a result no impairment has been recorded.

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

Value in use was determined by discounting cash flows and was based on the following key assumptions:

- Terminal growth rate: 2%
- Discount rate: 14%.

No reasonably possible change in any of the above key assumptions that would cause the carrying values to materially exceed its recoverable amounts as of 31 December 2024.

7 INVESTMENT IN JOINT VENTURES

Details of the Group's investment in joint ventures is as follows:

Name of entity	*Principal activities*	*Place of incorporation and operation*	*Ownership interest*	
			2024	*2023*
Exceed Holding for Sports LLC	Sport enterprises investment, institution and management	UAE	**50%**	50%
AL Qudra Sports Management LLC	Sport enterprises investment, institution and management	UAE	**50%**	50%

During 2022, the Group incorporated Exceed Holding for Sports LLC (Exceed) with 50% shareholding and injected their share capital of AED 150,000. The other venturer owns the remaining 50%.

On 20 October 2022, the Group acquired 50% of the shares of Al Qudra Sports Management LLC from Q Holding PJSC (formerly "Al Qudra Holding PJSC") for AED 1 consideration. This acquisition is recorded as transfer under common control, given that the Company and the acquired entity are ultimately controlled by the same party before and after the acquisition. The acquisition has been accounted for in the consolidated financial statements using the pooling of interest method and accordingly, the Group recognised the investment in joint venture based on its carrying value on the date of acquisition of AED 5,642,390. The Group recognised the excess of the carrying value over the consideration paid within merger reserve.

The Group's investments in joints ventures is accounted for using the equity method. Summarized financial information of the joint ventures, based on their IFRS financial statements, and reconciliation with the carrying amount of the investments in the consolidated financial statements are set out below:

Exceed Holding for Sports LLC
The investment in Exceed Holding for Sports LLC is fully impaired as 31 December 2024 (2023: fully impaired). The Group did not record their share of profit for the current year on account that there is doubt on the recoverability of the Group's investment in the joint venture.

Summarized statement of financial position of Exceed Holding for Sports LLC:

	2024 AED	*2023 AED*
Total assets	**70,213,368**	50,871,804
Total liabilities	**69,925,630**	53,309,694

Summarized statement of profit or loss of Exceed Holding for Sports LLC:

	2024 AED	*2023 AED*
Revenue	**64,018,115**	30,428,083
Direct costs	**(51,317,264)**	(26,622,763)
General and administrative expenses	**(8,910,808)**	(4,652,493)
Finance costs	**(823,404)**	(492,214)
Profit (loss) before tax	**2,966,639**	(1,339,387)
Income tax	**(241,010)**	-
Profit / total comprehensive income for the year	**2,725,629**	(1,339,387)

7 INVESTMENT IN JOINT VENTURES continued

Al Qudra Sports Management LLC

	2024	2023
	AED	*AED*
Carrying value of investment	**4,981,729**	5,456,991
Group's share of profit (loss) for the year	**377,224**	(475,262)
At 31 December	**5,358,953**	4,981,729

Summarized statement of financial position of Al Qudra Sports Management LLC:

	2024	2023
	AED	*AED*
Total assets	**13,729,020**	13,086,758
Total liabilities	**3,011,114**	6,625,496

Summarized statement of profit or loss of Al Qudra Sports Management LLC:

	2024	2023
	AED	*AED*
Revenue	**25,338,616**	24,710,820
Cost of goods sold	**(22,867,928)**	(23,884,566)
General and administrative expenses	**(1,703,199)**	(1,729,094)
Other income	**78,517**	(10,045)
Finance cost	**(16,941)**	(37,640)
Profit before tax	**829,065**	(950,525)
Income tax	**(74,617)**	-
Profit / total comprehensive income for the year	**754,448**	(950,525)
Group's share of loss for the year (50%)	**377,224**	(475,262)

8 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

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

	Land lease AED	*Office space AED*	*Staff Accomodation AED*	*Total AED*
2024				
Right of use assets				
At 1 January 2024	4,220,225	557,161	1,371,485	6,148,871
Acquired in business acquisitions (note 25)	2,954,301	-	1,561,106	4,515,407
Additions	-	21,361	6,408,764	6,430,125
Termination of lease	-	(215,506)	-	(215,506)
Depreciation	(425,963)	(333,166)	(3,592,943)	(4,352,072)
At 31 December 2024	**6,748,563**	**29,850**	**5,748,412**	**12,526,825**
Lease Liabilities				
At 1 January 2024	4,771,106	567,608	1,316,024	6,654,738
Acquired in business acquisitions (note 25)	2,952,322	-	1,199,182	4,151,504
Additions	-	21,361	6,408,764	6,430,125
Termination of lease	-	(233,543)	-	(233,543)
Finance costs	432,525	25,224	149,388	607,137
Payments	(729,719)	(370,186)	(4,285,048)	(5,384,953)
At 31 December 2024	**7,426,234**	**10,464**	**4,788,310**	**12,225,008**
2023				
Right of use assets				
At 1 January 2023	-	-	-	-
Acquired in business acquisitions (note 25)	4,345,827	695,872	1,774,864	6,816,563
Depreciation	(125,602)	(138,711)	(403,379)	(667,692)
At 31 December 2023	4,220,225	557,161	1,371,485	6,148,871
Lease Liabilities				
At 1 January 2023	-	-	-	-
Acquired in business acquisitions (note 25)	4,646,474	657,205	1,273,020	6,576,699
Finance costs	124,632	16,833	43,004	184,469
Payments	-	(106,430)	-	(106,430)
At 31 December 2023	4,771,106	567,608	1,316,024	6,654,738

Lease liabilities as of 31 December 2024 are analysed in the consolidated statement of financial position as follows:

	2024 AED	*2023 AED*
Current portion	**3,495,442**	1,877,122
Non-current portion	**8,729,566**	4,777,616
At 31 December	**12,225,008**	6,654,738

8 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES continued

The following are the amounts recognised in the consolidated statement of comprehensive income:

	2024 AED	*2023 AED*
Depreciation expense of right of use assets	**4,352,072**	667,692
Interest expense on lease liabilities	**607,137**	184,469
Expense relating to short term leases (note 22)	**1,871,178**	1,096,817

9 INVESTMENTS IN FINANCIAL ASSETS

	2024 AED	*2023 AED*
Investments carried at fair value through other comprehensive income (note 9.1)	**12,535,126**	16,588,173
Investments carried at fair value through profit or loss (note 9.2)	**77,739,726**	94,246,300
Investment carried at amortised cost (note 9.3)	**16,298,346**	14,106,438
	106,573,198	124,940,911

9.1 Investments carried at fair value through other comprehensive income

	2024 AED	*2023 AED*
Unquoted and inside the UAE	**12,535,126**	16,588,173

During the year, the Group invested an additional USD 118,058 (AED 433,568) (2023: USD 170,945 (AED: 627,992) in a fund created by a related party, as a contribution, against a total commitment of USD 5,000,000 (2023: USD 5,000,000). This investment in equity instrument is not held for trading. Instead, it is held for long-term strategic purpose. Accordingly, management of the Group has elected to designate the investment as equity instrument at FVTOCI, as they believe that recognising short-term fluctuations would not be consistent with the Group's strategy of holding the investment for long-term purposes and realising the performance potential in the long run.

The investments are recorded at fair value using the valuation techniques as disclosed in note 28.

Movement in investment in financial assets carried at fair value through other comprehensive income is as follows:

	2024 AED	*2023 AED*
At 1 January	**16,588,173**	15,680,926
Additions	**433,568**	627,993
Transferred to merger reserve on account of acquisition of subsidiary (note 25)	**(293,982)**	-
Investment contributed by the parent during the year	**-**	209,369
Changes in fair value	**(4,192,633)**	69,885
At 31 December	**12,535,126**	16,588,173

9 INVESTMENTS IN FINANCIAL ASSETS continued

9.2 Investments carried at fair value through profit or loss

	2024 AED	*2023 AED*
Quoted and inside the UAE	**58,031,955**	74,460,692
Unquoted and outside the UAE	**19,707,771**	19,785,608
At 31 December	**77,739,726**	94,246,300

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

The investments are recorded at fair value using the valuation techniques as disclosed in note 28. Movement in investment in financial assets carried at fair value through profit or loss is as follows:

	2024 AED	*2023 AED*
At 1 January	**94,246,300**	110,880,372
Additions	**2,627,284**	11,258,480
Disposals	**-**	(12,810,037)
Changes in fair value	**(19,133,858)**	(15,082,515)
At 31 December	**77,739,726**	94,246,300

9.3 Investment carried at amortised cost

	2024 AED	*2023 AED*
Investment in debt instruments	**16,298,346**	14,106,438

During 2022, the Group invested in unquoted debt securities (notes) of two private companies, these investments carry an interest ranging from 5% to 10%. During the year, the Company further invested an amount of AED 735,000 in ROBCOM, the interest earned on these investments amounted to AED 1,456,908 (2023: AED 1,294,804).

Classification of investments

	2024 AED	*2023 AED*
Non-current financial assets	**28,833,472**	30,694,611
Current financial assets	**77,739,726**	94,246,300
	106,573,198	124,940,911

10 INVENTORIES

	2024 AED	2023 AED
Finished goods	**7,663,980**	7,232,616
Less: allowance for slow moving inventories	**(868,810)**	(673,184)
	6,795,170	6,559,432

The movement in allowance for slow moving inventories is as follows:

	2024 AED	2023 AED
At 1 January	**673,184**	618,928
Charge for the year	**195,626**	54,256
At 31 December	**868,810**	673,184

11 TRADE AND OTHER RECEIVABLES

	2024 AED	2023 AED
Trade receivables	**355,418,773**	302,157,170
Less: allowance for expected credit losses	**(24,624,615)**	(25,187,087)
	330,794,158	276,970,083
Prepayments and deposits	**53,627,197**	37,038,928
Advances to suppliers	**3,045,501**	3,727,752
Other receivables	**14,338,844**	9,111,206
	401,805,700	326,847,969

Trade and other receivables as of 31 December 2023 are analysed in the consolidated statement of financial position as follows:

	2024 AED	2023 AED
Current portion	**394,795,181**	321,012,464
Non-current portion	**7,010,519**	5,835,505
At 31 December	**401,805,700**	326,847,969

As at 31 December 2024, allowance for expected credit losses of the Group amounted to AED 24,624,615 (2023: AED 25,187,807) and its movement was as follows:

	2024 AED	2023 AED
At 1 January	**25,187,087**	6,517,671
Acquired in business acquisitions (Note 25)	**1,098,277**	24,778,528
Reversals during the year	**(1,660,749)**	(6,109,112)
At 31 December	**24,624,615**	25,187,087

11 TRADE AND OTHER RECEIVABLES continued

The charge or reversal of the provision for expected credit losses is separately disclosed in the consolidated statement of profit or loss. Amounts charged to the provision account are generally written off when there is no expectation of recovering additional cash.

The average credit period of trade receivables is 30 days (2023: 30 days). No interest is charged on trade and other receivables.

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

	Not past due AED	*1-30 days AED*	*31-90 days AED*	*91-180 days AED*	*181-360 days AED*	*> 360 days AED*	*Total AED*
31 December 2024							
Expected credit loss	**1.08%**	**0.5%**	**1.12%**	**2.91%**	**16.03%**	**81.02%**	**6.93%**
Estimated total gross carrying amount as default	**97,533,103**	**59,394,567**	**80,206,587**	**57,895,847**	**43,443,333**	**16,945,336**	**355,418,773**
Allowance for expected credit losses	**1,052,535**	**299,698**	**897,250**	**1,683,472**	**6,963,161**	**13,728,499**	**24,624,615**
31 December 2023							
Expected credit loss	0.55%	0.77%	1.10%	1.09%	9.69%	98.71%	8.34%
Estimated total gross carrying amount as default	113,753,342	46,906,867	45,211,432	46,870,477	28,743,915	20,671,137	302,157,170
Allowance for expected credit losses	626,768	361,517	497,631	512,469	2,784,054	20,404,648	25,187,087

12 RELATED PARTY BALANCES AND TRANSACTIONS

Related parties represent the associated companies, shareholders, directors 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.

Terms and conditions of transactions with related parties
The Group enters into transactions with related parties in the ordinary course of business at mutually agreed rates. Outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

12 RELATED PARTY BALANCES AND TRANSACTIONS continued

12.1 Balances

Balances with related parties included in the consolidated statement of financial position are as follows:

	Nature of relationship	*2024 AED*	*2023 AED*
Amounts due from related parties:			
International Holding Company PJSC	Parent Company	**20,000,000**	20,000,000
Khabib Gym	Subsidiary of a Joint Venture	**17,898,254**	14,318,246
Inspire Integrated Facilities Management LLC	Entities under common control	**7,665,125**	7,605,653
Rafed Healthcare Supplies L.L.C.	Other related party	**7,174,069**	367,752
AD Ports ICP	Other related party	**6,164,617**	-
Etihad Airways Group	Other related party	**4,665,849**	-
Abu Dhabi National Exhibitions Company (ADNEC)	Entities under common control	**4,628,044**	-
Aldar Properties PJSC	Entities under common control	**3,057,705**	5,728,440
Senaat - Emirates Steel	Other related party	**3,344,259**	-
Sinyar Hospitality	Other related party	**2,671,735**	2,367,234
M42 Ltd	Entities under common control	**1,760,284**	-
ZMS Companies Management LLC	Other related party	**1,546,530**	679,175
TwoFour54 - FZ LLC	Entities under common control	**1,373,067**	-
G42 Companies Management RSC LTD	Entities under common control	**989,501**	-
Emirates Palace Hotel Abu Dhabi	Other related party	**786,475**	2,417,292
Senaat - Al Foah	Other related party	**713,310**	-
Global Aerospace Logistics	Other related party	**677,392**	-
Basatin Holding SPV Ltd.	Entities under common control	**652,012**	-
800TEK Facilities Management LLC	Entities under common control	**605,106**	-
Khidmah - Sole Proprietorship LLC	Entities under common control	**515,529**	-
Tourism Development & Investment Company	Other related party	**501,362**	-
Bunya Enterprises LLC	Other related party	**463,910**	-
Yosh Hospitality LLC	Other related party	**415,469**	-
Trojan General Contracting and six construct Limited-Zayed National Museum	Other related party	**374,590**	596,481
Aldar Education - Sole Proprietorship LLC	Entities under common control	**-**	3,715,026
International Golden Group LLC	Other related party	**-**	2,811,480
Others		**4,874,403**	5,058,291
Provision for expected credit losses		**(1,087,119)**	-
		92,431,478	65,665,070
Loans to related parties:			
Al Rabeeh School	Subsidiary	**-**	1,400,000
Pyxis Events Sole Proprietorship LLC	Subsidiary of a Joint Venture	**4,300,000**	4,300,000
		4,300,000	5,700,000

The loan is repayable in one year and carry an interest rate of 6.25% per annum.

Balances with a financial institution	Other related party	**142,408,222**	153,683,5923

12 RELATED PARTY BALANCES AND TRANSACTIONS continued

12.1 Balances continued

	Nature of relationship	***2024 AED***	*2023 AED*
Investments in financial assets:			
Multiply Group P.J.S.C	Entity under common control	**31,101,750**	47,779,500
Chimera Global Fund I LP	Other related party	**12,535,126**	16,294,190
Pure Health Holding PJSC	Other related party	**3,080,250**	5,272,500
NMDCENR	Other related party	**2,343,908**	-
Invictus Investment Company PLC	Other related party	**2,910,000**	3,885,000
Presight AI Holding PLC	Other related party	**1,501,005**	-
Burjeel Holdings PLC	Other related party	**1,316,730**	2,089,301
Al Rabeeh School	Subsidiary	**-**	293,983
		54,788,769	75,614,474
Amounts due to related parties:			
National Health Insurance Company – Daman PJSC	Other related party	**8,981,401**	6,431,599
Khidmah - Sole Proprietorship LLC	Entity under common control	**406,410**	387,605
Capital Medical Centre for Health Screening – Sole Proprietorship LLC	Other related party	**117,500**	-
Workforce Connexion LLC	Entity under common control	**54,238**	-
Others		**474,472**	217,965
		10,034,021	7,037,169

12.2 Transactions

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

	2024 AED	*2023 AED*
Transactions with ultimate parent and other related parties		
Revenue	**109,205,300**	28,150,753
Interest income from loan to related party	**268,750**	-
Purchase of goods and services	**23,777,188**	13,754,285
Interest income on bank deposits	**2,306,379**	4,703,367
Finance cost	**5,796,878**	1,206,530
Dividend Income	**68,665**	-

12.3 Transactions with key management personnel

	2024 AED	*2023 AED*
Salaries and short-term benefits	**3,064,333**	2,284,768
End of service benefits	**-**	186,981
Director's remuneration (note 22)	**2,879,385**	2,450,750
	5,943,718	4,922,499

13 CASH AND BANK BALANCES

	2024 AED	2023 AED
Cash on hand	**868,948**	609,099
Cash at bank - current account	**240,393,154**	131,369,120
Cash and cash equivalents	**241,262,102**	131,978,219
Fixed deposits with an original maturity of more than three months	**46,248,030**	152,638,276
	287,510,132	284,616,495
Margin deposits	**18,749,596**	-
Less: allowance for expected credit losses	**(70,239)**	(38,015)
Cash and bank balances	**306,189,489**	284,578,480

Fixed deposits comprise short term deposits placed with commercial banks bearing interest rates ranging from 0.20% per annum to 4.7% per annum (2023: from 0.20% per annum to 4.68% per annum).

14 SHARE CAPITAL

	2024 AED	2023 AED
Authorised, issued and fully paid shares		
150,000,000 ordinary shares of AED 1 each (2023: 150,000,000 ordinary shares of AED 1 each)	**150,000,000**	150,000,000

During the year, the shareholders of the Company declared a dividend of AED 0.667 per share (2023: AED nil) amounting to AED 100,000,500 (2023: AED nil) which was paid on 27 March 2024.

15 LEGAL RESERVE

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

16 PROVISION FOR EMPLOYEES' END OF SERVICE BENEFITS

The movement in the provision for employees' end of service benefits is as follows:

	2024 AED	2023 AED
At 1 January	**108,201,748**	33,392,421
Acquired in business acquisitions (note 25)	**3,837,905**	67,958,597
Charge for the year (note 23)	**25,313,066**	10,797,197
Paid during the year	**(11,482,035)**	(3,946,467)
At 31 December	**125,870,684**	108,201,748

17 BANK BORROWINGS

	2024 AED	2023 AED

Disclosed in the in consolidated statement of financial position as follows:

	2024 AED	2023 AED
Current	**78,908,067**	30,000,000
Non-current	**157,333,333**	120,000,000
	236,241,400	150,000,000
Term loan 1	**120,000,000**	150,000,000
Term loan 2	**55,000,000**	-
Term loan 3	**35,000,000**	-
Term loan 4	**26,241,400**	-
	236,241,400	150,000,000

Term loan 1
During 2023, the Group obtained a loan amounting to AED 150,00,000 to finance the acquisition of a subsidiary, Securiguard Middle East LLC. The principal portion of the facility is repayable in five annual instalments with last payment due in 30 September 2028. The loan carries an interest charged at the aggregate of 3 months EIBOR plus 1.25% spread per annum.

Term loan 2
During the year, the Group has obtained a new loan amounting to AED 55,000,000. The principal portion of the facility is repayable in five annual instalments with last payment due in 5 November 2029. The loan carries an interest charged at the aggregate of 3 months EIBOR plus 1.25% spread per annum.

Term loan 3
During the year, a subsidiary of the Group has obtained a new loan amounting to AED 35,000,000 to finance the working capital of the subsidiary. The principal portion of the facility is repayable in six equal instalments with the last payment due on 31 October 2027. The loan carries an interest charged at the aggregate of 3 months EIBOR plus 1.25% spread per annum.

Term loan 4
The term loan is obtained by a subsidiary of the Group. The loan is repayable in 16 instalments commencing from 30 June 2020 with final repayment due on 30 June 2027. The loan carries an interest charged at the aggregate of 3 months EIBOR plus 3.5% spread minimum of 5% per annum.

Changes in liabilities arising from financing activities
The table below details changes in the Group's liabilities arising from financing activities, including cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows used in financing activities.

17 BANK BORROWINGS continued

	1 January 2024 AED	*Cash flows AED*	*Other AED*	*31 December 2024 AED*
Current:				
Interest bearing loans and borrowings	**30,000,000**	**(43,000,000)**	**91,908,067**	**78,908,067**
Non-current:				
Interest bearing loans and borrowings	**120,000,000**	**90,000,000**	**(52,666,667)**	**157,333,333**
Total	**150,000,000**	**47,000,000**	**39,241,400**	**236,241,400**

	1 January 2023 AED	*Cash flows AED*	*Other AED*	*31 December 2023 AED*
Current:				
Interest bearing loans and borrowings	195,224	(195,224)	30,000,000	30,000,000
Non-current:				
Interest bearing loans and borrowings	-	150,000,000	(30,000,000)	120,000,000
Total	195,224	149,804,776	-	150,000,000

18 TRADE AND OTHER PAYABLES

	2024 AED	*2023 AED*
Accrued expenses	**58,751,567**	52,051,519
Salaries payable	**29,052,214**	27,162,496
Advances from customers	**4,175,984**	1,759,521
Trade payables	**15,221,168**	17,030,772
Other payables	**9,799,232**	9,994,712
Deferred revenue	**16,721,721**	3,115,605
	133,721,886	111,114,625

19 CONTINGENT LIABILITIES AND COMMITMENTS

	2024 AED	*2023 AED*
Bank guarantees	**193,814,911**	151,943,033
Commitments	**7,686,549**	8,867,460

The above bank guarantees have been issued from a local bank in the ordinary course of business on which the bank charges a fee of 1% per annum (2023: 1% per annum).

20 REVENUE FROM CONTRACT WITH CUSTOMERS

	2024 *AED*	*2023* *AED*
Types of goods or services		
Coaching and training services	**399,253,643**	323,515,062
Income from guarding, cleaning and equipment services	**566,757,480**	229,503,838
Income from educational services	**57,323,332**	-
Sale of materials	**24,580,506**	23,487,739
Physiotherapy services	**1,273,076**	-
Other services	**1,925,070**	-
	1,051,113,107	576,506,639
Geographical markets		
United Arab Emirates	**1,047,825,957**	574,194,144
Gulf Cooperation Council	**1,818,050**	695,407
United States of America	**1,469,100**	1,617,088
	1,051,113,107	576,506,639
Timing of revenue recognition		
Revenue over time	**1,025,259,524**	553,018,900
Revenue at a point in time	**25,853,583**	23,487,739
	1,051,113,107	576,506,639

21 DIRECT COSTS

	2024 *AED*	*2023* *AED*
Staff costs (note 23)	**792,630,284**	401,195,338
Material cost and others	**54,345,335**	37,380,222
	846,975,619	438,575,560

22 GENERAL AND ADMINISTRATIVE EXPENSES

	2024 *AED*	*2023* *AED*
Staff costs (note 23)	**22,582,582**	14,705,978
Depreciation and amortization	**18,637,453**	4,407,771
Legal and professional fees	**4,153,809**	2,102,322
Board of director's remuneration (note 12.3)	**2,879,385**	2,450,750
Marketing and exhibition expenses	**2,793,101**	548,301
Bus operating cost	**3,019,845**	-
Rent	**1,871,178**	1,096,817
Repair and maintenance	**1,198,290**	149,310
Telephone charges	**1,182,186**	372,696
Other expenses	**7,504,654**	5,171,119
	65,822,483	31,005,064

23 STAFF COSTS

	2024 AED	2023 AED
Salaries	**789,899,800**	405,104,119
Employees' end of service benefits (note 16)	**25,313,066**	10,797,197
	815,212,866	415,901,316
Staff cost is allocated as follows:		
Cost of sales (note 21)	**792,630,284**	401,195,338
General and administrative expenses (note 22)	**22,582,582**	14,705,978
	815,212,866	415,901,316

24 INCOME TAX

The Group calculates the income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major component of income tax expense in the consolidated statement of comprehensive income are:

24.1 Amount recognised in the consolidated statement of comprehensive income

The major components of income tax expense for the year ended 31 December 2024 and 2023:

Consolidated profit or loss	2024 AED	2023 AED
Current income tax charge	**13,723,980**	-
Deferred income tax credit relating to origination and reversal of temporary differences	**(1,379,603)**	19,935
Income tax expense reported in the consolidated statement of profit or loss	**12,344,377**	19,935

Consolidated other comprehensive income	2024 AED	2023 AED
Deferred tax related to items recognised in OCI during in the year:		
Net loss on equity instruments designated at fair value through OCI	**(384,952)**	-
Deferred income tax credit to OCI	**(384,952)**	-

24 INCOME TAX continued

24.2 Reconciliation of accounting income

	2024 *AED*	*2023* *AED*
Accounting profit before tax relating to UAE entities	**121,525,298**	-
At United Arab Emirates' statutory income tax rate of 9%	**10,937,277**	-
Less: effect of standard exemption	**(33,750)**	-
Less: income not subject to tax	**(53,377)**	-
Add: non-deductible expenses	**1,494,227**	-
Income tax expense reported in the consolidated statement of comprehensive income	**12,344,377**	-
Effective tax rate	**10.15%**	-

Deferred tax liability relates to the following:

	Consolidated statement of financial position		*Consolidated statement of comprehensive income*	
	2024 *AED*	*2023* *AED*	*2024* *AED*	*2023* *AED*
Goodwill	**244,409**	244,409	-	244,409
Intangible assets acquired through business combination*	**6,388,757**	6,388,757		-
Financial instruments through OCI	**(384,952)**	-	**(384,952)**	-
Financial instruments through FVPL	**(353,913)**	-	**(353,913)**	-
Provision for expected credit losses	**(260,706)**	-	**(260,706)**	-
Amortisation of intangible assets	**(989,458)**	(224,474)	**(764,984)**	(224,474)
Deferred tax expense	-	-	**(1,764,555)**	19,935
Deferred tax liabilities	**4,644,137**	6,408,692	-	-

25 BUSINESS ACQUISITIONS

25.1 Business combination under common control during the year

Learn Educational Investment LLC
Effective 3 January 2024, the Group acquired a 100% interest in Learn Educational Investment LLC OPC for a total consideration of AED nil. This acquisition is excluded from the scope of International Financial Reporting Standard 3 (IFRS 3) "Business Combinations" as this is a business combination of entities under common control, given that the Company and the acquired entity is ultimately controlled by the same party before and after the acquisition. 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. The Group has elected to consolidate the income, expenses, assets and liabilities of acquired entities from the date of acquisition. From the date of acquisition, Learn Educational Investment LLC contributed revenue and loss to the Group amounting to AED 61,590,168 and AED 2,734,079 respectively. As a result of this acquisition the Group derecognized its investments in Al Rabeeh School and Al Rabeeh Academy, subsidiaries of Learn Educational Investment LLC OPC, with a corresponding adjustment to additional capital contribution and cumulative changes in fair value in the consolidated statement of changes in equity. Both investments were contributed to the Group by its Ultimate parent.

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

	AED
Assets	
Property and equipment	**51,980,548**
Due from related parties	**3,000**
Right-of-use asset	**4,515,407**
Trade and other receivables	**10,287,367**
Cash and bank balances	**2,143,611**
Total assets*	**68,929,933**
** includes intangibles cost AED 594,304 with nil book value.*	
Liabilities	
Provision for employees' end of service benefits	**3,794,579**
Lease liabilities	**4,151,504**
Due to related parties	**3,033,357**
Trade and other payables	**20,083,904**
Bank borrowing	**39,241,400**
Total liabilities	**70,304,744**
Total identifiable net liabilities at fair value	**(1,374,811)**

25 BUSINESS ACQUISITIONS continued

25.2 Acquisition under IFRS 3 business combination during the year

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

Yas Physiotherapy Center L.L.C.
Effective 15 May 2024, the Group acquired a 80% interest in Yas Physiotherapy Center L.L.C for a total consideration of AED 2,000,000. From the date of acquisition, Yas Physiotherapy Center L.L.C contributed revenue and loss to the Group amounting to AED 1,273,076 and AED 707,093 respectively. Had the acquisition happened on 1 January 2024 Yas Physiotherapy Center L.L.C would have contributed revenue and loss to the Group amounting to AED 2,136,744 and AED 1,062,155 respectively.

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

	AED
Assets	
Property and equipment	**563,545**
Trade and other receivables	**780,255**
Cash and bank balances	**128,168**
Total assets	**1,471,968**
Liabilities	
Provision for employees' end of service benefits	**43,326**
Trade and other payables	**111,804**
Total liabilities	**155,130**
Total identifiable net assets at fair value	**1,316,838**
Proportionate share of identifiable assets acquired	**1,053,470**
Goodwill arising at acquisition (note 6)	**946,530**
Purchase consideration	**2,000,000**

The net assets recognised for Yas Physiotherapy Center L.L.C are based on the assessment of their fair values as at the acquisition date. The purchase price is allocated on a provisional basis. The purchase consideration has been paid on 6 August 2024.

Non-controlling interest	**263,368**
Analysis of cashflows on acquisition:	
Cash paid for acquisition	**2,000,000**
Net cash acquired on business combination	**(128,168)**
Acquisition of operating business – net of cash acquired (included in cash flows from investing activities)	**1,871,832**

25 BUSINESS ACQUISITIONS continued

25.3 Acquisition under IFRS 3 business combination during the prior year

During the year ended 2023, the Group acquired the following entity, which was accounted for using the acquisition method under IFRS 3 Business Combination:

Securiguard Middle East LLC
Effective 1 August 2023, the Company acquired a 100% interest in Securiguard Middle East LLC for a consideration of AED 300,000,000. From the date of acquisition, Securiguard Middle East LLC contributed revenue and profit to the Group amounting to AED 229,503,839 and AED 17,825,462 respectively.

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

	2023 *AED*
Assets	
Property and equipment	48,844,902
Intangible assets	70,986,199
Right-of-use asset	6,816,563
Prepayments	30,348,268
Trade and other receivables	218,581,619
Due from related parties	5,062,734
Cash and bank balances	66,291,943
Total assets	446,932,228
Liabilities	
Provision for employees' end of service benefits	67,942,628
Trade and other payables	81,986,628
Deferred tax liability	6,388,758
Lease liabilities	6,576,699
Total liabilities	162,894,713
Total identifiable net assets at fair value	284,037,515
Proportionate share of identifiable assets acquired	284,037,515
Goodwill arising at acquisition (note 6)	15,962,485
Purchase consideration	300,000,000

The net assets recognised were based on the assessment of their fair values as at the acquisition date.

Intangible assets of AED 70,986,199 were recognised as a result of aforementioned acquisition, which mainly comprises of customer and supplier contracts.

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

- Assumed discount rates of 19.5%, and
- A terminal value calculated based on long-term sustainable growth rates for the industry of 2%, which has been used to determine income for the future years.

25 BUSINESS ACQUISITIONS continued

25.3 Acquisition under IFRS 3 business combination during the prior period continued

Assets acquired and liabilities assumed continued
Analysis of cashflows on acquisitions is as follows:

	2023 AED
Purchase consideration:	
Total purchase consideration paid	300,000,000
Analysis of cashflows on acquisition:	
Cash paid for acquisition	300,000,000
Net cash acquired on business combination	(66,291,943)
Acquisition of operating business – net of cash acquired (included in cash flows from investing activities)	233,708,057

Secure Recruitment Services Establishment LLC
Effective 31 December 2023, the Company acquired a 100% interest in Secure Recruitment Services Establishment for nil consideration.

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

	2023 AED
Assets	
Trade and other receivables	229,688
Cash and bank balances	556,682
Total assets	786,370
Liabilities	
Provision for employees' end of service benefits	15,969
Trade and other payables	99,954
Total liabilities	115,923
Total identifiable net assets at fair value	670,447
Proportionate share of identifiable assets acquired	670,447
Bargain purchase arising at acquisition	(670,447)
Purchase consideration	-

The net assets recognised for Secure Recruitment Services Establishment LLC are based on the assessment of their fair values as at the acquisition date.

26 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the year attributed to the owners of the Company by the weighted average number of shares in issue throughout the year.

Diluted earnings per share is calculated by dividing the profit for the year attributed to the owners of the Company by the weighted average number of shares in issue throughout the year, adjusted for the effects of dilutive instruments.

	2024 **AED**	*2023* *AED*
Profit attributable to the owners of the Company (AED)	**109,611,617**	105,336,235
Weighted average number of shares (No.)	**150,000,000**	150,000,000
Basic earnings per share for the year (AED)	**0.73**	0.70

As of 31 December 2024 and 31 December 2023, the Company has not issued any instruments that have a dilutive impact on earnings per share when exercised.

27 SEGMENT REPORTING

Segments were identified based on the Group's internal reporting and how the Chief Operating Decision Maker ("CODM") assesses the performance of the business. The Group has two reportable segments listed below.

Income from guarding and cleaning services includes provision of services of security guards and onshore and offshore oil cleaning services to its customer.

Income from coaching and training services includes providing specialized sports training services with regards to Jiu-Jitsu, mixed martial arts and combat sports.

27 SEGMENT REPORTING continued

Others include providing educational services, management of educational institutes, and physiotherapy treatment services.

The Chief Operating Decision Makers (CODM) monitor the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

	Coaching and training AED	*Guarding and cleaning AED*	*Others AED*	*Unallocated AED*	*Total AED*
31 December 2024					
Revenue from contracts with customers	**399,253,643**	**566,757,480**	**85,101,984**	**-**	**1,051,113,107**
Cost of sales	**(260,833,866)**	**(526,212,554)**	**(59,929,199)**	**-**	**(846,975,619)**
Gross profit	**138,419,777**	**40,544,926**	**25,172,785**	**-**	**204,137,488**
General and administrative expenses	**(29,891,264)**	**(16,671,540)**	**(19,259,679)**	**-**	**(65,822,483)**
Share of profit of joint ventures	**-**	**-**	**-**	**377,224**	**377,224**
Changes in fair value of financial assets carried at fair value through profit and loss	**-**	**-**	**-**	**(19,133,858)**	**(19,133,858)**
Dividend income	**-**	**-**	**-**	**593,080**	**593,080**
Finance income	**5,397,973**	**1,840,319**	**22,025**	**-**	**7,260,317**
Finance costs	**(10,839,909)**	**(1,199,333)**	**(4,332,631)**	**-**	**(16,371,873)**
(Provision for) reversal of provision for expected credit losses, net	**(1,167,563)**	**1,910,957**	**(169,764)**	**-**	**573,630**
Other income	**31,689**	**4,683,610**	**5,196,474**	**-**	**9,911,773**
Profit (loss) for the year before tax	**101,950,703**	**31,108,939**	**6,629,210**	**(18,163,554)**	**121,525,298**
Segment assets	**470,078,128**	**400,456,366**	**110,790,826**	**130,556,813**	**1,111,882,133**
Segment liabilities	**82,205,467**	**162,245,976**	**112,246,315**	**179,763,358**	**536,461,116**
2023					
Revenue	347,002,800	229,503,839	-	-	576,506,639
Direct costs	(227,865,266)	(210,710,294)	-	-	(438,575,560)
Gross profit	119,137,534	18,793,545	-	-	137,931,079
General and administrative expenses	(25,064,402)	(5,940,662)	-	-	(31,005,064)
Share of loss of joint ventures	-	-		(475,262)	(475,262)
Change in fair value of financial assets carried at fair value through profit and loss	-	-	-	(15,082,515)	(15,082,515)
Dividend income	-	-	-	1,014,630	1,014,630
Finance income	-	-	-	7,102,675	7,102,675
Finance costs	-	(648,615)	-	(4,040,769)	(4,689,384)
Reversal of provision for expected credit losses, net	3,719,810	2,389,302	-	-	6,109,112
Bargain purchase option	-	-	-	670,447	670,447
Other income	306,148	3,231,892	-	-	3,538,040
Profit (loss) for the year before tax	98,099,090	17,825,462	-	(10,810,794)	105,113,758
Segment assets	304,641,147	398,639,703	-	257,589,824	960,870,674
Segment liabilities	66,853,786	159,587,801	-	162,975,385	389,416,972

28 FAIR VALUE MEASUREMENT

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
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 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 Group's assets are determined.

	Fair value as at				
Financial assets	*31 December 2024 AED*	*31 December 2023 AED*	*Fair value hierarchy*	*Valuation techniques and key inputs*	*Relationship of unobservable inputs to fair value*
Quoted equity investments – investment in financial assets	**58,031,955**	74,460,692	Level 1	Quoted bid prices in an active market.	Not applicable
Unquoted equity investments – investment in financial assets at fair value through profit or loss	**19,707,771**	19,785,608	Level 3	Net assets value - Discounted cash flow method and latest transaction price	Higher long term growth rate for cashflows for subsequent years, higher the fair value. Higher WACC and discount rate, lower the fair value.
Unquoted equity investments – investment in financial assets at fair value through comprehensive income	**12,535,126**	16,588,173	Level 3	Net assets value - Discounted cash flow method and latest transaction price of underlying investments	Higher long term growth rate for cashflows for subsequent years, higher the fair value. Higher WACC and discount rate, lower the fair value.

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.

29 FINANCIAL RISK MANAGEMENT

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

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

	2024	*2023*
	AED	*AED*
Lease liabilities	**12,225,008**	6,654,738
Due to related parties	**10,034,021**	7,037,169
Bank borrowings	**236,241,400**	150,000,000
Trade and other payables	**133,721,886**	111,114,625
Cash and bank balances	**(306,189,489)**	(284,578,480)
Net debt	**86,032,826**	(9,771,948)
Equity attributable to the owners of the Company	**575,182,793**	571,048,150

For the purpose of the Group's capital risk management, capital includes share capital, legal reserve, additional capital contribution, merger reserve, cumulative change in fair value of investments and retained earnings attributable to the equity holders of the Company.

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

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

The Group does not have significant exposure to foreign exchange risk as most of its monetary assets and liabilities are denominated in UA E Dirhams. The Group is exposed to equity securities price risk because of investments in financial assets held by the Group. The Group's equity investment portfolio amounted to AED 58,031,955 (2023: AED 74,460,692). At the reporting date if the prices of the investments were 5% higher/lower with all other variables held constant, the Group's equity and profit or loss would have increased/decreased as follows:

	2024	*2023*
	AED	*AED*
Impact on the Group's profit for the year (increase / decrease)	**2,901,598**	3,723,035

29 FINANCIAL RISK MANAGEMENT continued

Interest rate risk
The Group has no significant interest-bearing assets and the Group's income, and operating cash flows are substantially independent of changes in market interest rates. Any excess cash and cash equivalents are invested at short term market interest rates.

Interest rate risk is the exposure to various risks associated with the effect of fluctuations in the prevailing interest rates on the Group's financial position and cash flows. The Group manages the interest rate risk by regularly monitoring the interest rate profiles of its interest-bearing financial instruments. The Group is exposed to interest rate risk on its interest-bearing loans and borrowings.

Interest rate sensitivity analysis
The sensitivity of the consolidated statement of comprehensive income is the effect of the assumed changes in interest rates on the Group's profit or loss, based on the floating rate financial liabilities held at reporting dates. The analysis is prepared assuming the amount of interest-bearing assets and liabilities (floating rate) outstanding at the reporting date was outstanding for the whole year. The following table demonstrates the sensitivity of the consolidated statement of comprehensive income to reasonably possible changes in interest rates, with all other variables held constant.

	Increase/decrease in basis points	*Effect on profit / (loss) AED*
2024	**+100**	**(2,362,414)**
	-100	**2,362,414**
2023	+100	(1,500,000)
	-100	1,500,000

Credit risk management
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises from bank balances, deposits with banks as well as credit exposures to customers including outstanding receivables and committed transactions.

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

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

Liquidity risk management
Liquidity risk is the risk that the Group will be unable to meet its funding requirements. The maturity profile of financial liabilities is monitored by management to ensure adequate liquidity is maintained.

Ultimate responsibility for liquidity risk rests with the majority shareholder's team, which has built an appropriate liquidity risk management framework for the planning of the Group's short, medium and long-term funding and liquidity management requirements.

29 FINANCIAL RISK MANAGEMENT continued

Liquidity risk management continued

The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows:

	Within 1 year AED	*Between 1 to 5 years AED*	*5 years more AED*	*Total AED*
31 December 2024				
Trade and other payables (excluding advances from customers and accruals)	**54,072,614**	**-**	**-**	**54,072,614**
Lease liabilities	**4,329,686**	**4,553,207**	**7,818,682**	**16,701,575**
Borrowings	**89,712,388**	**174,582,671**	**-**	**264,295,059**
Amounts due to related parties	**10,034,021**	**-**	**-**	**10,034,021**
	158,148,709	**179,135,878**	**7,818,682**	**345,103,269**
31 December 2023				
Trade and other payables (excluding advances from customers and accruals)	54,187,980	-	-	54,187,980
Lease liabilities	1,561,985	8,201,704		9,763,689
Borrowings	39,544,679	138,235,991		177,780,670
Amounts due to related parties	7,037,169	-	-	7,037,169
	102,331,813	146,437,695	-	248,769,508

Currency risk management

Assets are typically funded in the same currency as that of the business being transacted to eliminate exchange exposures. Management believes that there is a minimal risk of significant losses due to exchange rate fluctuations and, consequently, the Group does not hedge foreign currency exposure.

30 COMPARATIVE INFORMATION

The Group has changed presentation of comparative information in the consolidated statement of financial position to conform to the current year presentation. This reclassification did not have any impact on the previously reported consolidated profit or equity of the Group.