Response Plus Holding PJSC

REPORT OF THE BOARD OF DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2024

Response Plus Holding PJSC

REPORT OF THE BOARD OF DIRECTORS

31 DECEMBER 2024

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors have pleasure in submitting this report and the consolidated financial statements of Response Plus Holding PJSC (the "Company") and its subsidiaries (together referred to as the "Group") for the year ended 31 December 2024.

Principal activity
The principal activities of the Group are medical services, including but not limited to the provision of on-site medical services, occupational health, medical & non-medical training, emergency medical services and the secondment of medical manpower to other companies, amongst other ancillary services.

Financial results
Revenue earned by the Group during the year ended 31 December 2024 was AED 454,975,955 (2023: AED 345,358,933). The total comprehensive income for the year ended 31 December 2024 amounted to AED 51,492,203 (2023: AED 21,129,334). The movements in retained earnings for the year were:

	AED
At January 2024	**49,830,091**
Profit for the year	**53,481,525**
Dividend paid	**(35,000,000)**
At December 2024	**68,311,616**

Directors
The Directors of the Company are as follows:

Mr. Omran Mohammed Saleh Mohmood Husian Alkhoori	Chairman
Dr. Mohamed Monir Mohamed Yaqoub Hayat Khan	Vice Chairman
Dr. Shamsheer Vayalil Parambath Pokkinari Hashim	Member
Mr. Hari Mohan Haritas	Member
Mr. Kashif Shamsi	Member

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

Acknowledgement
To the best of our knowledge, the financial information included in these consolidated financial statements present fairly, in all material respect, the financial position, results of operations and cash flows of the Group as of, and for, the years presented therein.

For and on behalf of the Board of Directors

Chairman

Response Plus Holding PJSC

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2024

Building a better working world

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

RESPONSE PLUS HOLDING PJSC

Report on the Audit of the Consolidated Financial Statements

Opinion
We have audited the consolidated financial statements of Response Plus Holding 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, consolidated statement of profit or loss, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including 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 IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

RESPONSE PLUS HOLDING PJSC continued

Report on the Audit of the Consolidated Financial Statements continued

Revenue recognition
Revenue recognition is considered to be a key area of focus given that revenue is material and an important determinant of the Group's performance and profitability. The Group recognises revenue from contracts with customers when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services (refer note 2.4 of 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 454,975,955. 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 the following procedures among others:

- Reviewed the Group's revenue recognition policy as per IFRS 15, Revenue from contracts with customers and assessed its appropriateness;
- Understood the design of the internal controls surrounding the revenue recognition process;
- Performed substantive testing over transactions on a sample basis and tested their occurrence, accuracy, and recognition, by tracing them back to supporting documents;
- Performed correlation analysis between revenue and trade receivables and performed analytical review procedures on revenue based on monthly sales and profit margins;
- Performed cut off procedures by selecting a sample of transactions before and after the year end to evaluate the recognition in the current reporting period;
- Tested journal entries on a sample basis, based on revenue related risk profiles (such as amounts, posting date, adjustments) to identify any instances of management override; and
- Evaluated the adequacy of disclosures relating to revenue.

Provision for expected credit losses
At 31 December 2024, gross trade receivables amounted to AED 134,350,914 against which provision for expected credit loss ("ECL") of AED 24,222,254 was recorded (note 15). The gross trade receivables represent 35% of the total assets presented in the consolidated financial statements. The Group assesses at each reporting date whether the financial assets carried at amortised cost are credit impaired. Management has applied the simplified approach for measurement of ECL for trade receivables. The ECL model involves the use of various assumptions, historical trends relating to the Group's trade collections experience and other specific factors. The Group exercises significant judgement when determining both when and how much to record as the ECL.

We have considered ECL as key audit matter given the size of trade receivables and the identification of significant delays in the collection of trade receivables which results in the application of significant auditor judgement regarding the accounting estimates made by management in determining the ECL.

The Group's disclosures included in notes 2 and 4 of the consolidated financial statements outline the accounting policies and significant estimates made and judgements applied for determining the ECL.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

RESPONSE PLUS HOLDING PJSC continued

Report on the Audit of the Consolidated Financial Statements continued

Provision for expected credit losses continued
We performed the following procedures in relation to the provision for expected credit losses:

- We obtained an understanding of the process and identified the relevant controls over the measurement and determination of the allowance for ECL;
- We compared the ECL model developed by management against the requirements of IFRS 9 and reviewed the methodology against accepted best practice;
- We tested the arithmetical accuracy of the model;
- We performed procedures on individually significant balances, such as substantiating transactions with underlying documents, including inspecting contracts, tracing subsequent receipts to the bank statements and inspecting the underlying invoices, to obtain evidence for the existence and valuation of the recorded receivables;
- We tested key assumptions, such as those used to calculate the likelihood of default and the subsequent loss on default, by comparing to historical data;
- We compared the results of the output of the ECL model developed by management to the amounts reported in the consolidated financial statements; and
- We assessed the disclosure in the consolidated financial statements relating to this matter in accordance with IFRSs.

Business combinations within the scope of IFRS 3
During the year, the Group acquired control over the entity disclosed in note 5 which was determined to be a business combination as defined by IFRS 3. As permitted by IFRS 3, the Group has not yet finalized the Purchase Price Allocation (PPA) for the acquired assets and liabilities as of the reporting date. Instead, the Group has recorded a preliminary PPA based on the best available information at the time of reporting. This preliminary allocation includes estimates of the fair values of identifiable assets acquired and liabilities assumed, with the understanding that these estimates may be adjusted in the future as more information becomes available. The acquisition of businesses is a key audit matter as this is a significant transaction during the year.

We performed the following procedures:

- Reviewed the share purchase agreements and ownership structures before and after the acquisitions to assess if the acquisitions fulfilled the requirements of business combination under IFRS 3;

- Obtained the draft purchase price allocation report for the acquisition prepared by the external valuer engaged by the Group and assessed the appropriateness of the basis used to currently report this acquisition in line with IFRS requirements; and

- We reviewed the disclosures in the consolidated financial statements related to the business combination and the preliminary PPA to ensure compliance with IFRS 3, including the nature of the estimates and the potential for subsequent adjustments.

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

RESPONSE PLUS HOLDING PJSC continued

Report on the Audit of the Consolidated Financial Statements continued

Other information
Other information consists of the information included in the report of the Board of Directors, other than the consolidated financial statements and our auditor's report thereon. We obtained the report of the Board of Directors prior to the date of our audit report and we expect to obtain the annual report after the date of our auditor's report. Management is responsible for the other information.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

The Board of Directors is responsible for overseeing the Group's financial reporting process.

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

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

RESPONSE PLUS HOLDING PJSC continued

Report on the Audit of the Consolidated Financial Statements continued

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

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.

- 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.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the those charged with governance, 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.

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

RESPONSE PLUS HOLDING PJSC continued

Report on the Audit of the Consolidated Financial Statements continued

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

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.

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) the Group has maintained proper books of account;

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

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

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

v) investments in shares and stocks are included in note 14 to the consolidated financial statements;

vi) note 16 reflects material related party transactions and the terms under which they were conducted;

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

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

For Ernst & Young

Walid J Nakfour
Registration No 5479

Date: 13 March 2025
Abu Dhabi, United Arab Emirates

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2024

	Notes	2024 AED	2023 AED
Revenue	6	**454,975,955**	345,358,933
Other income		**1,542,508**	739,917
		456,518,463	346,098,850
Staff costs	9	**(272,925,020)**	(205,353,805)
Inventories consumed	8	**(44,402,554)**	(29,897,270)
Other expenses	10	**(41,850,669)**	(25,607,505)
Utilities & fuel costs		**(13,931,879)**	(11,352,758)
Depreciation	11	**(12,987,441)**	(9,081,092)
Acquisition costs	5	**(3,205,334)**	-
Finance costs		**(2,820,581)**	(818,941)
Short term rent	13	**(2,563,169)**	(3,781,958)
Provision for expected credit loss	15	**(1,707,916)**	(10,242,804)
PROFIT BEFORE TAX		**60,123,900**	49,962,717
Income tax	23	**(6,426,838)**	(511,787)
Zakat	23	**(215,537)**	(62,509)
PROFIT FOR THE YEAR		**53,481,525**	49,388,421
Basic and diluted earnings per share	19	**0.27**	0.25

The attached notes 1 to 27 form part of these consolidated financial statements.

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

	Notes	2024 AED	2023 AED
PROFIT FOR THE YEAR		**53,481,525**	49,388,421
Other comprehensive loss:			
Items that will not be subsequently reclassified to consolidated profit or loss in subsequent years:			
Net loss on financial asset designated at fair value through other comprehensive income	14	**(1,989,322)**	(28,259,087)
Total other comprehensive loss		**(1,989,322)**	(28,259,087)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**51,492,203**	21,129,334

The attached notes 1 to 27 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2024

	Notes	*2024* ***AED***	*2023* *AED*
ASSETS			
Non-current assets			
Property and equipment	11	**64,481,149**	45,335,879
Investment properties		**2,132,700**	-
Right-of-use assets	13	**5,979,932**	766,014
Goodwill	5	**40,294,670**	-
Financial assets at fair value through other comprehensive income	14	**5,925,609**	7,914,931
		118,814,060	54,016,824
Current assets			
Inventories	8	**9,601,030**	9,838,625
Trade and other receivables	15	**189,713,798**	165,667,384
Amounts due from related parties	16	**32,473,885**	21,967,006
Cash and bank balances	17	**38,051,876**	46,695,301
		269,840,589	244,168,316
TOTAL ASSETS		**388,654,649**	298,185,140
EQUITY AND LIABILITIES			
Equity			
Share capital	18	**200,000,000**	200,000,000
Shareholders' account	18.2	**13,694,953**	13,694,953
Merger reserve		**(5,502,727)**	(5,502,727)
Other reserves	18.1	**277,334**	277,334
Fair value reserve of financial assets at FVOCI		**(30,248,409)**	(28,259,087)
Retained earnings		**68,311,616**	49,830,091
Total equity		**246,532,767**	230,040,564
Non-current liabilities			
Lease liabilities	13	**3,989,096**	400,680
Interest bearing loans	21	**29,750,000**	-
Employees' end of service benefits	20	**17,966,242**	13,450,494
		51,705,338	13,851,174
Current liabilities			
Trade and other payables	22	**65,356,601**	46,643,272
Lease liabilities	13	**1,549,392**	418,032
Interest bearing loans	21	**5,250,000**	71,343
Income tax & zakat payable	23	**6,642,375**	574,296
Amounts due to related parties	16	**11,618,176**	6,586,459
		90,416,544	54,293,402
Total liabilities		**142,121,882**	68,144,576
TOTAL EQUITY AND LIABILITIES		**388,654,649**	298,185,140

Chairman | Chief Executive Officer | Chief Financial Officer

The attached notes 1 to 27 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Share capital AED	*Shareholders' account AED*	*Merger reserve AED*	*Other reserves AED*	*Fair value reserve of financial assets at FVOCI AED*	*Retained earnings AED*	*Total AED*
At 1 January 2023	200,000,000	13,694,953	(5,502,727)	277,334	-	14,441,670	222,911,230
Profit for the year	-	-	-	-	-	49,388,421	49,388,421
Other comprehensive loss for the year	-	-	-	-	(28,259,087)	-	(28,259,087)
Dividend paid (Note 12)	-	-	-	-	-	(14,000,000)	(14,000,000)
Balance at 31 December 2023	200,000,000	13,694,953	(5,502,727)	277,334	(28,259,087)	49,830,091	230,040,564
At 1 January 2024	200,000,000	13,694,953	(5,502,727)	277,334	(28,259,087)	49,830,091	230,040,564
Profit for the year	-	-	-	-	-	53,481,525	53,481,525
Other comprehensive loss for the year	-	-	-	-	(1,989,322)	-	(1,989,322)
Dividend paid (Note 12)	-	-	-	-	-	(35,000,000)	(35,000,000)
Balance at 31 December 2024	**200,000,000**	**13,694,953**	**(5,502,727)**	**277,334**	**(30,248,409)**	**68,311,616**	**246,532,767**

The attached notes 1 to 27 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		**60,123,900**	49,962,717
Adjustments for:			
Depreciation on property and equipment	11	**12,987,441**	9,081,092
Depreciation on right of assets	13	**1,689,715**	346,836
Provision for employees' end of service benefits	20	**5,398,479**	4,093,573
Provision for expected credit losses	15	**1,707,916**	10,242,804
Gain on disposal of property and equipment		**(73,875)**	-
Finance costs		**2,820,581**	861,310
Operating cash flows before changes in working capital		**84,654,157**	74,588,332
Working capital charges:			
Inventories		**237,595**	(3,083,523)
Trade and other receivables		**(5,458,415)**	(45,890,171)
Amounts due from related parties		**(10,506,879)**	(1,302,859)
Amounts due to related parties		**5,031,717**	5,579,413
Trade and other payables		**2,427,215**	18,931,949
Cash generated from operations		**76,385,390**	48,823,141
Employees' end of service benefits paid	20	**(1,340,119)**	(1,465,028)
Taxes paid		**(574,296)**	(438,403)
Finance costs paid		**(2,351,044)**	(818,941)
Net cash generated from operating activities		**72,119,931**	46,100,769
INVESTING ACTIVITIES			
Purchase of property and equipment	11	**(31,919,285)**	(30,882,728)
Proceeds from disposal of property and equipment		**378,420**	-
Net cash paid in business combination	5	**(46,752,531)**	-
Net cash used in investing activities		**(78,293,396)**	(30,882,728)
FINANCING ACTIVITIES			
Net movement in interest bearing loans		**34,928,657**	(391,752)
Dividend paid	12	**(35,000,000)**	(64,000,000)
Payment of lease liabilities	13	**(2,398,617)**	(429,103)
Net cash used in financing activities		**(2,469,960)**	(64,820,855)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(8,643,425)**	(49,602,814)
Cash and cash equivalents at the beginning of the year		**46,695,301**	96,298,115
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	17	**38,051,876**	46,695,301
Significant non-cash transactions:			
Transfer of investment properties from a customer		**2,132,700**	-
Transfer of property and equipment to a related party		**-**	88,674

The attached notes 1 to 27 form part of these consolidated financial statements.

1 GENERAL INFORMATION

Response Plus Holding PJSC ("the Company") is a private joint stock company incorporated under the UAE Federal Law No. (2) of 2015 (as amended). The registered office address of the Company is P.O. Box 130336, Abu Dhabi, United Arab Emirates.

On 15 March 2021, the shareholders of the Company passed a resolution to change the Company's name from Burjeel Medical Centre (Yas Mall) LLC to Response Plus Holding PJSC. The legal formalities related to the name change were completed on 29 August 2021. Additionally, the shareholders passed a resolution to increase the Company's share capital to AED 200,000,000. Subsequently, on 14 September 2021, the Company listed 20 million of its ordinary shares on the secondary market of the Abu Dhabi Securities Exchange ("ADX").

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 business activities are:

The principal activities of the Group are medical services, including but not limited to the provision of on-site medical services, occupational health, medical & non-medical training, emergency medical services and the secondment of medical manpower to other companies, amongst other ancillary services.

The consolidated financial statements were approved by the Board of Directors and authorised for issuance on 13 March 2025.

2.1 BASIS OF PREPARATION

Statement of compliance
The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standard Board ("IASB") and applicable requirements of the UAE Federal Law No. 32 of 2021.

Basis of measurement
The consolidated financial statements are prepared under the historical cost convention, except for investments in financial assets carried at fair value through other comprehensive income which are stated at fair value.

Functional and presentation currency
The consolidated financial statements are presented in UAE Dirhams ("AED"), which is the presentation currency of the Group and the functional currency of the Company.

2.2 BASIS FOR CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December each year. 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
- The ability to use its power over the investee to affect its returns

2.2 BASIS FOR CONSOLIDATION continued

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and 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(s) 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 financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

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.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interest;
- Derecognises the cumulative translation differences, recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss; and
- Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate.

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9, when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

2.2 BASIS FOR CONSOLIDATION continued

Details of the Company's subsidiaries are as follows:

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

* Subsidiary acquired during the year.

2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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 and Non-current Liabilities with Covenants
- Disclosure: 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 MATERIAL ACCOUNTING POLICY INFORMATION

Revenue recognition
The Group recognises revenue from contracts with customers based on a five step model as set out in IFRS 15:

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

Step 2 Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer. Revenue is measured at fees calculated and billed based on various tariffs agreed with insurers reduced by provision for rejections.

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.

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

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

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

When the Group satisfies a performance obligation by delivering the promised goods or services it creates a contract based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION continued

Revenue recognition continued
Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent.

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably.

Revenue streams include the following:

Contract revenue
Income from contract revenue represents services rendered for the management of customer's clinics and medical centers and it also includes supply of medical practitioners and ambulance services to corporate customers. This income is recognised on a time apportionment basis.

Medical services
Income from medical services represents services rendered from the clinic and events. This income is recognised on a time apportionment basis.

Medical goods
Revenue from the sale of medical goods is recognized at the point in time when control of the product is transferred to the customer, which is generally upon delivery or when the customer has accepted the goods, depending on the terms of the contract. Revenue is measured at the transaction price, net of discounts, rebates.

Revenue from training and consultancy services
Revenue from training and consultancy services includes income from providing technical and occupational skills training, as well as training for medical professionals and other consultancy services to customers. This income is recognised on a time apportionment basis.

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 other 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.

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.

2.4 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 profit or loss 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 profit or loss.

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 profit or loss.

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.

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

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

2.4 MATERIAL ACCOUNTING POLICY INFORMATION continued

Borrowing costs
Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Property and equipment
Recognition and measurement
Items of property and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Gains and losses on disposal of item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognised net within "other income" in the consolidated statement of profit or loss.

Subsequent costs
Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property and equipment. All other expenditure is recognised in the consolidated statement of profit or loss as the expense is incurred.

Depreciation
Depreciation is recognised in the consolidated statement of profit or loss on a straight-line method over the estimated useful lives of property and equipment. The estimated useful lives for the current and comparative periods are as follows:

Leasehold improvements	10 years
Medical and other equipment	5-7 years
Computer and office equipment	4 years
Furniture and fixtures	2-5 years
Motor vehicles	5 years

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

An item of equipment and vehicles and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss when the asset is derecognised.

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

Intangible assets
Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the consolidated statement of profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets, which is software, is 5 years.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION continued

Intangible assets continued
Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit or loss in the expense category consistent with the function of the intangible asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of profit or loss when the asset is derecognised.

Investment properties
Investment properties are properties held to earn rental and / or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gain and losses arising from changes in the fair value of investment properties are included in the consolidated statement of profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss in the period in which the property is derecognised.

Amounts paid to purchase investment properties are initially recorded as advances on investment properties and the related capital commitments are disclosed in the commitments and contingencies. When the investment property recognition criteria are met, advances on investment properties are reclassified to investment properties.

Investment properties is stated at cost and the buildings are depreciated over 20 years.

Valuations reflect, when appropriate, the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting vacant accommodation, the allocation of maintenance and insurance responsibilities between the Group and the lessee, and the remaining economic life of the property.

Inventories
Inventories are valued at the lower of cost, determined on the basis of weighted average cost, and net realisable value. Costs are those expenses incurred in bringing each item to its present location and condition. Net realisable value is based on estimated selling price less any further costs expected to be incurred on disposal.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION continued

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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

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

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

Financial assets
Initial recognition and measurement
The financial assets are classified, at initial recognition, and 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. With the exception of trade receivables and bank balance that do not contain a significant financing component or for which the Group has applied the practical expedient, 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. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

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. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION continued

Financial assets continued
Initial recognition and measurement continued

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); and
d) Financial assets at fair value through profit or loss

The Group has the following financial assets:

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

a) The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in the consolidated statement of profit or loss when the asset is derecognised, modified, or impaired. The Group's financial assets at amortised cost include a certain portion of trade and other receivables, due from related parties and cash and bank balances.

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 investment and other 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 and unquoted equity investments are recognised under investment and other income in the consolidated statement of profit or loss when the right of payment has been established.

Cash and cash equivalents
For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash in hand, bank balances and short-term deposits with an original maturity of three months or less.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION continued

Financial assets continued

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

For trade receivables and contract assets, 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 assess receivable balances on an individual basis based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The expected credit losses are recognised in the consolidated statement of comprehensive income.

The Group considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Group may also 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 of financial assets
A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is primarily derecognised 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 (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) 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 the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. 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.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION continued

Financial liabilities and equity instruments

Initial recognition and measurement
Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

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

Financial liabilities
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include interest bearing loans, lease liabilities, accounts payable and accruals.

Subsequent measurement
The measurement of financial liabilities depends on their classification as described below:

Financial liabilities at amortised cost (loans and borrowings)
This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in consolidated statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of profit or loss.

This category generally applies to a certain portion of trade and other payables, amounts due to related parties, lease liabilities and borrowings.

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

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.

Trade and other payables
Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Bank loans
Bank loans are initially recognised at fair value plus directly attributable transactions costs.

After initial recognition, interest-bearing loans are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of comprehensive income.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION continued

Provisions
Provisions are recognised when the Group has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount can be reliably estimated. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statement of comprehensive income net of any reimbursement.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation at the end of the reporting period, using a rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

Employees' end of service benefits
The Group provides end of service benefits to its expatriate employees in United Arab Emirates and other countries the Group is operating. The entitlement to these benefits is usually based upon the employees' final salary and length of service subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

Pension contributions are made in respect of employees in accordance with law of the countries the Group operates in. Such contributions are charged to the consolidated statement of comprehensive income during the employee's period of service.

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. A contingent asset is not recognised in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

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

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

i) Right-of-use assets

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

Right-of-use assets which are mainly offices are depreciated on a straight-line basis over 5 years which is 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.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION continued

Leases continued
Group as a lessee continued

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are disclosed as a separate line-item under current and non-current portion.

iii) Short-term leases and leases of low-value assets

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

Group as a lessor
Leases in which the Group does not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the consolidated statement of comprehensive income due to its operating nature. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Value-added Tax (VAT)
Expenses, and assets are recognised net 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; and/or
- 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.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION continued

Taxation

Current income tax

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

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

Deferred tax

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

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

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

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, and

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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

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

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

2.4 MATERIAL ACCOUNTING POLICY INFORMATION continued

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

Zakat
Zakat and income tax are provided for in accordance with Saudi Arabian fiscal regulations and are charged to the consolidated statement of profit or loss. Additional amounts, if any, that claimed by the become due on the finalisation of an assessment are accounted for in the year in which the assessment is finalised.

Zakat and income tax assets and liabilities for the period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in the Group's tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

UAE Corporate Tax Law
Current taxes should be measured at the amount expected to be paid to or recovered from the tax authorities by reference to tax rates and laws that have been enacted or substantively enacted, by the end of the any reporting period. Since the Group is expected to pay tax in accordance with the provision of the UAE CT Law on its operational results with effect from 1 January 2024, current taxes have been accounted for in the consolidated financial statements for the period beginning from 1 January 2024.

Deferred taxes should be measured by reference to the tax rates and laws, as enacted, or substantively enacted, by the end of the reporting period, that are expected to apply in the periods in which the assets and liabilities to which the deferred tax relates are realized or settled. As the UAE CT Law was 'substantively enacted' as at 31 December 2023 for the purposes of IAS 12, the Group considered the application of IAS 12 and any requirements for the measurement and recognition of deferred taxes (if any) for the years ended 31 December 2023 and 2024.

Foreign jurisdictions
The Group's subsidiaries in Kingdom of Saudi Arabia, Norway, India, Switzerland, United Kingdom, and Oman are subject to taxation. Income tax for the current year is provided on the basis of estimated taxable income computed by the Group using tax rates, enacted, or substantially enacted at the reporting date, applicable in the respective countries in which the subsidiaries operate and any adjustment to tax in respect of previous years.

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

Transactions and balances
Transactions in foreign currencies are initially recorded by the Group at respective currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange at the reporting date. All differences arising on settlement or translation of monetary items are taken to the consolidated statement of comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION continued

Foreign currencies continued
The gain or loss arising on retranslation of non-monetary items is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

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

Fair value measurements
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

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

2.4 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 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 current when:

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

The Group classifies all other liabilities as non-current.

3 NEW AND AMENDED STANDARDS AND INTERPRETATIONS

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

- Amendments to IAS 21 - Lack of exchangeability
- 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, other than IFRS 18, will have a material impact on its consolidated financial statements. The Group is currently working to identify all the impacts IFRS 18 will have on the primary consolidated financial statements and notes to the consolidated financial statements.

4 SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

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

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

The key judgments, estimates and assumptions that have a significant impact on the consolidated financial statements of the Group are discussed below:

Judgements

Identifying performance obligations

At inception of the contract with customers, the Group assesses the performance obligations embedded in the contracts. Based on the assessment, the Group has concluded that sale of goods and healthcare services is generally expected to be the performance obligation. Management considers other incidental services are integral part of healthcare services and not capable of being distinct in the context of contract with the customers. There are no other performance obligations or benefits derived by the customers from the contracts.

Determining method to estimate variable consideration and assessing the constraint

The contracts for the sale of goods include a right of return and discounts that give rise to variable consideration, primarily relating to medical goods. In estimating the variable consideration, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled. The Group determined that the expected value method is the appropriate method to use in estimating the variable consideration for the sale of goods with rights of return, given the large number of customer contracts that have similar characteristics. Before including any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions.

Transfer of control in contracts with customers

In cases where the Group determines that performance obligations are satisfied at a point in time, revenue is recognised when control over the asset that is the subject of the contract is transferred to the customer or benefits of the services being provided is received and consumed by the customer.

Principal versus agent considerations (judgement relating to revenue recognition)

The Group enters into contracts with its customers for supply of goods and services. The Group determined that it controls the goods and services before they are transferred to customers, and it has the ability to direct the use of the or obtain benefits from the good or services. The following factors indicate that the Group controls the goods before they are being transferred to customers. Therefore, the Group determined that it is a principle in all its revenue arrangements.

- The Group is primarily responsible for fulfilling the promise to provide the specified goods or services.
- The Group has inventory risk before the specified goods has been transferred to the customers.
- The Group has discretion in establishing the price for the specified goods or services.
- The Group is exposed to all the credit risks associated with the revenue arrangement.

Also, each contractual arrangement with individual doctors is assessed against specific criteria to determine whether the Group is acting as principal or agent in the arrangement with these doctors. The Group has determined that it is acting as Principal in these arrangements if it has the responsibility for providing the medical services to the patient, it acts as the primary obligator and it bears the risk of providing the medical service.

4 SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS continued

Judgements continued

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.

Use of estimates and assumptions

The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur. Certain of these accounting policies require critical accounting estimates that involve complex and subjective judgments and the use of assumptions, some of which may be for matters that are inherently uncertain and susceptible to change. Such critical accounting estimates could change from period to period and have a material impact on the Group's results of operations, consolidated financial positions and cash flows.

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. The non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in arm's length transactions of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating units being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Provision for expected credit losses

The expected credit loss (ECL) impairment model requires forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. It also requires management to assign probability of default to various categories of receivables. Probability of default constitutes a key input in measuring an ECL and entails considerable judgement; it is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions, and expectations of future conditions. It is expected that under the new impairment model credit losses will be recognised earlier.

Leases – estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Fair value of financial instruments

When the fair value of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

5 ACQUISITIONS UNDER IFRS 3 BUSINESS COMBINATION

Prometheus Medical Training Center L.L.C ("Prometheus")
On 24 April 2024, the Group, acquired: (i) 100% share capital of Prometheus Medical Training Center L.L.C. (UAE entity) and Prometheus Medical Europe SA (Swiss entity); and (ii) from Prometheus Medical Limited (UK entity) and Safeguard Medical Nordic AS (Norwegian entity) only their healthcare training and consultancy services business being carried out in United Kingdom, Norway and Denmark region. Prometheus is engaged in technical and occupational skills trainings. From the date of acquisition Prometheus contributed revenue and loss to the Group amounting to AED 24,997,031 and AED 562,731, respectively. If the acquisition had taken place at the beginning of the year, Prometheus would have contributed revenue of approximately AED 37,500,000 to the Group.

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

	AED
Non-current asset	
Property and equipment	517,971
Current assets	
Trade and other receivables	22,428,615
Cash and bank balances	989,969
	23,418,584
Non-current liability	
Employees' end of service benefits	(457,388)
Current liabilities	
Trade and other payables	(6,110,161)
Total net identifiable assets	17,369,006
Purchase consideration – paid	47,742,500
Purchase consideration – payable	9,921,176
Goodwill on acquisition	40,294,670

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

Acquisition related costs amounting to AED 3,205,334 were expensed during the year.

Analysis of cashflow on acquisition as follows:

	AED
Amount paid to acquire 100% interest	(47,742,500)
Cash acquired in business combination	989,969
Acquisition of business – net of cash acquired (included in cash flows from investing activities)	46,752,531

6 REVENUE

	2024 AED	*2023 AED*
Type of revenue		
Contract revenue	**324,413,226**	263,691,769
Medical services	**74,551,888**	58,605,056
Medical goods	**30,602,056**	16,328,296
Training and consultancy services	**24,511,137**	5,544,667
Other services	**897,648**	1,189,145
	454,975,955	345,358,933
Timing of revenue recognition		
Services transferred at the point in time	**427,269,919**	343,347,008
Goods transferred at the point in time	**27,706,036**	2,011,925
	454,975,955	345,358,933
Geographical locations		
United Arab Emirates	**381,183,332**	314,654,213
Kingdom of Saudi Arabia	**64,373,224**	29,799,849
Norway	**4,728,221**	-
United Kingdom	**4,052,313**	-
Others	**638,865**	904,871
	454,975,955	345,358,933

7 SEGMENT REPORTING

For management purposes, the Group is organised into business units or segments based on its products and services and has two reportable segments as follows:

1. Medical services and occupational health
2. Training & consulting.

The Chief Executive Officer of the Group is the Chief Operating Decision Maker (CODM) and monitors the operating results of its operating segments 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. Also, income taxes are managed on a Group basis and are not allocated to operating segments.

7 SEGMENT REPORTING continued

Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

31 December 2024	*Medical Services & Occupational health AED*	*Training & consulting AED*	*Total AED*
Total revenue	**426,568,874**	**29,949,589**	**456,518,463**
Profit before tax	**58,571,142**	**1,552,758**	**60,123,900**
Segment assets	**357,622,278**	**31,032,371**	**388,654,649**
Segment liabilities	**133,443,161**	**8,678,721**	**142,121,882**

31 December 2023	*Medical Services& Occupational health AED*	*Training & consulting AED*	*Total AED*
Total revenue	341,023,001	5,075,849	346,098,850
Profit before tax	48,296,433	1,666,284	49,962,717
Segment assets	293,224,042	4,961,098	298,185,140
Segment liabilities	67,476,706	667,870	68,144,576

8 INVENTORIES CONSUMED

	2024 AED	*2023 AED*
Inventories at 1 January	**9,838,625**	6,755,102
Purchases during the year	**44,164,959**	32,980,793
Less: inventories at 31 December	**(9,601,030)**	(9,838,625)
Inventories consumed	**44,402,554**	29,897,270

9 STAFF COSTS

	2024 *AED*	*2023* *AED*
Salaries and wages	**215,616,179**	170,290,462
Employees' end of service benefits (note 20)	**5,398,479**	4,093,573
Other employees' benefits	**51,910,362**	30,969,770
	272,925,020	205,353,805

10 OTHER EXPENSES

	2024 *AED*	*2023* *AED*
Legal & Professional	**8,942,138**	6,867,476
Repairs & maintenance	**5,968,890**	4,708,074
Transportation	**5,400,330**	2,552,571
Marketing	**2,142,051**	580,550
Events	**1,941,703**	1,390,139
Depreciation of right of use assets (note 13)	**1,689,715**	346,836
Others	**15,765,842**	9,161,859
	41,850,669	25,607,505

11 PROPERTY AND EQUIPMENT

	Leasehold improvements AED	*Medical and other equipment AED*	*Computer and office equipment AED*	*Furniture and fixtures AED*	*Motor vehicles AED*	*Total AED*
2024						
Cost:						
At 1 January 2024	8,623,081	14,285,334	3,753,124	3,767,043	51,094,432	81,523,014
Acquired through business combination (note 5)	106,883	364,975	54,950	10,727	18,297	555,832
Additions	3,906,872	6,518,829	1,279,864	494,997	19,718,723	31,919,285
Disposals	-	-	-	-	(418,117)	(418,117)
At 31 December 2024	**12,636,836**	**21,169,138**	**5,087,938**	**4,272,767**	**70,413,335**	**113,580,014**
Depreciation:						
At 1 January 2024	3,594,155	4,935,223	2,056,865	2,578,618	23,022,274	36,187,135
Acquired through business combination (note 5)	-	37,861	-	-	-	37,861
Charge for the year	1,289,555	1,620,156	671,628	405,206	9,000,896	12,987,441
Disposal	-	-	-	-	(113,572)	(113,572)
At 31 December 2024	**4,883,710**	**6,593,240**	**2,728,493**	**2,983,824**	**31,909,598**	**49,098,865**
Net carrying amount:						
At 31 December 2024	**7,753,126**	**14,575,898**	**2,359,445**	**1,288,943**	**38,503,737**	**64,481,149**
2023						
Cost:						
At 1 January 2023	5,708,737	7,921,384	2,846,482	3,241,839	31,042,780	50,761,222
Additions	2,914,344	6,404,209	943,790	568,733	20,051,652	30,882,728
Transferred to a related party	-	(40,259)	(37,148)	(43,529)	-	(120,936)
At 31 December 2023	8,623,081	14,285,334	3,753,124	3,767,043	51,094,432	81,523,014
Depreciation:						
At 1 January 2023	3,209,075	3,772,384	1,409,889	2,169,614	16,577,343	27,138,305
Transferred to a related party	-	(8,070)	(13,796)	(10,396)	-	(32,262)
Charge for the year	385,080	1,170,909	660,772	419,400	6,444,931	9,081,092
At 31 December 2023	3,594,155	4,935,223	2,056,865	2,578,618	23,022,274	36,187,135
Net carrying amount:						
At 31 December 2023	5,028,926	9,350,111	1,696,259	1,188,425	28,072,158	45,335,879

12 DIVIDEND

The Board of Directors of the Company at their meeting held on 21 March 2024 have declared a cash dividend of AED 20 million for the year ended 31 December 2023 which was paid during the year. The Company also paid an interim dividend of AED 15 million during the year which was declared on 12 August 2024.

In 2023, the Company paid a dividend of AED 14 million which was declared by the Board of Directors of the Company at their meeting held on 24 May 2023. The Company also paid the dividend of AED 50 million which was declared on 26 December 2022.

13 RIGHT OF USE ASSETS AND LEASE LIABILITIES

The movement in right-of-use assets is as follows:

	2024 *AED*	*2023* *AED*
As at 1 January	**766,014**	887,261
Addition	**6,903,633**	225,589
Depreciation expense	**(1,689,715)**	(346,836)
At 31 December	**5,979,932**	766,014

The movement in lease liabilities are as follows:

	2024 *AED*	*2023* *AED*
As at 1 January	**818,712**	979,857
Additions	**6,903,633**	225,589
Payments during the year	**(2,398,617)**	(429,103)
Interest expense for the year	**214,760**	42,369
At 31 December	**5,538,488**	818,712

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

	2024 *AED*	*2023* *AED*
Non-current liabilities	**3,989,096**	400,680
Current liabilities	**1,549,392**	418,032
At 31 December	**5,538,488**	818,712

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

	2024 *AED*	*2023* *AED*
Depreciation expense of right-of-use assets	**1,689,715**	346,836
Interest expense on lease liabilities	**214,760**	42,369
Expense relating to short term leases	**2,563,169**	3,781,958

14 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

In 2021, the Group made an investment in API Holding Limited (a company based in India) which is expected to be listed in 2025. There is no active reliable market for the investment at the reporting date. This investment is irrevocably designated at fair value through OCI as the Group considers these investments to be strategic in nature.

The investment represents 0.2% of the share capital of the investee at the reporting date.

	2024 *AED*	*2023* *AED*
Financial asset carried at fair value through other comprehensive income		
Non-listed investment		
At 1 January	**7,914,931**	36,174,018
Change in fair value	**(1,989,322)**	(28,259,087)
At 31 December	**5,925,609**	7,914,931

15 TRADE AND OTHER RECEIVABLES

	2024 *AED*	*2023* *AED*
Trade receivables	**134,350,914**	116,196,354
Less: provision for expected credit losses	**(24,222,254)**	(22,514,338)
	110,128,660	93,682,016
Unbilled receivables	**41,594,444**	46,065,055
Deposits	**23,030,530**	14,672,617
Prepayments	**10,042,387**	7,219,557
Advances and other receivables	**4,917,777**	4,028,139
	189,713,798	165,667,384

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

	2024 *AED*	*2023* *AED*
At 1 January	**22,514,338**	12,271,534
Charge for the year	**1,707,916**	10,242,804
At 31 December	**24,222,254**	22,514,338

15 TRADE AND OTHER RECEIVABLES continued

As at 31 December, the ageing analysis of gross trade receivable is as follows:

	Total *AED*	*0-30 days* *AED*	*31 – 180 days* *AED*	*180 – 360 days* *AED*	*>360 days* *AED*
31 December 2024					
Expected credit loss rate		**0%**	**7%**	**13%**	**100%**
Gross carrying amount at default	**134,350,914**	**70,811,683**	**33,161,535**	**9,732,449**	**20,645,247**
Less: expected credit losses	**(24,222,254)**	**-**	**(2,320,878)**	**(1,256,129)**	**(20,645,247)**
	110,128,660	**70,811,683**	**30,840,657**	**8,476,320**	**-**
31 December 2023					
Expected credit loss rate		0%	0%	0%	91%
Gross carrying amount at default	116,196,354	32,426,531	48,695,540	10,316,052	24,758,231
Less: expected credit losses	(22,514,338)	-	-	-	(22,514,338)
	93,682,016	32,426,531	48,695,540	10,316,052	2,243,893

16 RELATED PARTIES TRANSACTIONS AND BALANCES

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

	2024 ***AED***	*2023* *AED*
Amounts due from related parties:		
Entities under common control	**32,473,885**	21,967,006
Amounts due to related parties:		
Entities under common control	**11,618,176**	6,586,459

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

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

	2024 ***AED***	*2023* *AED*
Revenue	**15,144,893**	12,428,277
Purchases	**168,058**	80,257
Expenses charged	**-**	1,558,806
Directors' fees (note 10)	**2,100,000**	2,025,000

17 CASH AND BANK BALANCES

	2024 *AED*	*2023* *AED*
Cash in hand and bank	**38,051,876**	26,695,301
Fixed deposits (with original maturities less than 3 months)	-	20,000,000
	38,051,876	46,695,301

18 SHARE CAPITAL

	2024 *AED*	*2023* *AED*
Authorised, issued, and fully paid shares.		
200,000,000 ordinary shares (2023: 200,000,000 shares) of AED 1 each (2023: AED 1 each)	**200,000,000**	200,000,000

18.1 Other reserves

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

18.2 Shareholders' account

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

19 BASIC AND DILUTED EARNINGS PER SHARE

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

	2024 *AED*	*2023* *AED*
Profit attributable to the owners of the Company (AED)	**53,481,525**	49,388,421
Weighted average number of shares (shares)	**200,000,000**	200,000,000
Basic earnings per share for the year (AED)	**0.27**	0.25

There are no dilutive instruments therefore, diluted earnings per share is the same as basic earnings per share.

20 EMPLOYEES' END OF SERVICE BENEFITS

	2024 *AED*	*2023* *AED*
At 1 January	**13,450,494**	10,817,728
Acquired through business combination (note 5)	**457,388**	-
Transferred from a related party	-	4,221
Charge for the year	**5,398,479**	4,093,573
Paid during the year	**(1,340,119)**	(1,465,028)
At 31 December	**17,966,242**	13,450,494

21 INTEREST BEARING LOANS

	2024		*2023*	
	Current *AED*	*Non-current* *AED*	*Current* *AED*	*Non-current* *AED*
Loan I (note a)	-	-	71,343	-
Loan II (note b)	**5,250,000**	**29,750,000**	-	-
	5,250,000	**29,750,000**	71,343	-

(a) In 2019, Response Plus Medical Services LLC, a subsidiary entered into a loan agreement with a commercial bank in Abu Dhabi to finance vehicles. The loan was repayable in 60 equal instalments over a period of 5 years which was settled in full during the year.

(b) On 20 November 2024, Response Plus Medical Services LLC and Prometheus Medical Training Centre LLC, entered into a loan agreement with an Islamic bank based in Abu Dhabi. Under the terms of this agreement, the Group secured a loan facility amounting to AED 35 million. The facility is repayable in ten semi-annual installments over a five-year period, commencing in November 2024. The loan is secured through an assignment of receivables by Response Plus Medical Services LLC, a 100% pledge of shares, and a corporate guarantee provided by Prometheus Medical Training Centre LLC.

22 TRADE AND OTHER PAYABLES

	2024 *AED*	*2023* *AED*
Trade payables	**40,133,801**	31,117,507
Staff costs payable	**12,059,198**	8,314,118
VAT payable	**2,751,891**	2,583,110
Accrued expenses	**6,915,581**	3,068,431
Other payables	**3,496,130**	1,560,106
	65,356,601	46,643,272

23 TAXATION

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

	2024 *AED*	*2023* *AED*
Current income tax recognised in the consolidated statement of profit or loss		
United Arab Emirates	**5,099,836**	-
Kingdom of Saudi Arabia	**1,004,634**	511,787
Norway	**322,368**	-
	6,426,838	511,787

Income tax and zakat payable
Income tax – UAE, Kingdom of Saudi Arabia, and Norway
The movement in the current taxation account is as follows:

	2024 *AED*	*2023* *AED*
At 1 January	**511,787**	342,412
Tax expense	**6,426,838**	511,787
Payments	**(511,787)**	(342,412)
At 31 December	**6,426,838**	511,787

Zakat - Kingdom of Saudi Arabia
The movement in the zakat is as follows:

	2024 *AED*	*2023* *AED*
At 1 January	**62,509**	95,991
Zakat expense	**215,537**	62,509
Payments	**(62,509)**	(95,991)
At 31 December	**215,537**	62,509

Status of assessments
The Group has filed the zakat and income tax returns for all years up to 31 December 2023. The Group is under the process of filing zakat and income tax returns for the current year. No assessment has been raised till date.

	2024 *AED*	*2023* *AED*
At 31 December		
Income tax and zakat payable	**6,642,375**	574,296

At 31 December 2024, there were no amounts recognised directly to equity or in other comprehensive income.

23 TAXATION continued

Reconciliation of accounting income

	2024 *AED*	*2023* *AED*
Accounting profit before tax	**60,123,900**	49,962,717
Less: profit from foreign entities	**(6,093,458)**	(3,153,463)
Accounting profit from the UAE entities	**54,030,442**	46,809,254
At United Arab Emirates' statutory income tax rate of 9%	**4,862,740**	-
Add: tax related to foreign entities	**1,327,002**	511,787
Add: other tax adjustments	**237,096**	-
Income tax expense reported in the consolidated statement of profit of loss	**6,426,838**	511,787
Effective tax rate	**10.7%**	1%

24 CONTINGENT LIABILITIES

	2024 AED	*2023 AED*
Letters of guarantees	**43,422,066**	36,616,843
Capital commitments	**14,183,708**	2,100,000

At 31 December 2024, the subsidiaries had capital expenditure commitments and contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise.

25 RISK MANAGEMENT

The Group's principal financial liabilities consist of accounts payable, amounts due to related parties, lease liability, vehicle loans and certain other liabilities. The main purpose of the financial liabilities is to raise finance for the Group's operations. The Group has various financial assets such as accounts receivable, amounts due from related parties and bank balances and cash and certain other assets, which arise directly from its operations.

The main risks arising from the Group's financial instruments are liquidity risk and credit risk. Management reviews and agrees policies for managing each of these risks which are summarised below:

Credit risk
The Group trades only with recognised, creditworthy third parties. Receivable balances are monitored on an ongoing basis with the result that the Group's exposure to credit losses is not significant. The maximum exposure is the carrying amount as disclosed in Note 15. The Group's five largest customers account for approximately 60% of outstanding accounts receivable at 31 December 2024 (2023: 41%). The average credit period on trade receivables is 120 days (2023: 120 days). Credit risk is limited to the carrying values of financial assets in the consolidated statement of financial position.

Foreign currency risk
Foreign currency risk comprises of transaction and consolidated statement of financial position risk. Transaction risk relates to the Group's cash flow being adversely affected by a change in the exchange rates of foreign currencies against UAE Dirhams. Consolidated statement of financial position risk relates to the risk of the Group's monetary assets and liabilities in foreign currencies acquiring a lower or higher value, when translated into UAE Dirhams, as a result of currency movements.

Foreign currency risk is limited since a significant proportion of the Group's transactions, monetary assets and liabilities are in UAE Dirhams and US Dollars. As the UAE Dirhams is pegged to the US Dollar, balances in US Dollars are not considered to represent significant currency risk.

Liquidity risk
Liquidity risk refers to the risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities at maturity date.

The Group manages the liquidity risk through risk management framework for the Group's short, medium, and long-term funding and liquidity management requirements by maintaining adequate reserves, sufficient cash and cash equivalent to ensure funds are available from operations and related parties to meet its commitments for liabilities as they fall due.

25 RISK MANAGEMENT continued

Liquidity risk continued

The table given below analyses the Group's remaining contractual maturity for its financial liabilities based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. The contractual maturity is based on the earliest date on which the Group may be required to pay.

	Less than 3 months AED	*3 to 12 months AED*	*1 to 5 years AED*	*Total AED*
2024				
Accounts payable and others	**15,012,302**	**43,428,718**	**-**	**58,441,020**
Lease liabilities	**90,476**	**1,779,476**	**4,462,236**	**6,332,188**
Interest bearing loans	**254,778**	**7,113,834**	**33,873,812**	**41,242,424**
Income tax & zakat payable	**-**	**6,642,375**	**-**	**6,642,375**
Amounts due to related parties	**-**	**11,618,176**	**-**	**11,618,176**
Total	**15,357,556**	**70,582,579**	**38,336,048**	**124,276,183**
2023				
Accounts payable and others	11,471,524	32,103,317	-	43,574,841
Lease liabilities	90,476	338,628	429,104	858,208
Interest bearing loans	-	71,343	-	71,343
Income tax & zakat payable	-	574,296	-	574,296
Amounts due to related parties	-	6,586,459	-	6,586,459
Total	11,562,000	39,674,043	429,104	51,665,147

Changes in liabilities arising from financing activities

Changes in interest bearing loans 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.

	1 January 2024 AED	***Net cash flows AED***	***Other AED***	***31 December 2024 AED***
Current:				
Interest bearing loans	71,343	5,178,657	-	5,250,000
Non-current:				
Interest bearing loans	-	29,750,000	-	29,750,000
Total	**71,343**	**34,928,657**	-	**35,000,000**
	1 January 2023 AED	*Net cash flows AED*	*Other AED*	*31 December 2023 AED*
Current:				
Interest bearing loans	391,759	(391,752)	71,336	71,343
Non-current:				
Interest bearing loans	71,336	-	(71,336)	-
Total	463,095	(391,752)	-	71,343

25 RISK MANAGEMENT continued

Liquidity risk continued
The 'Other' column includes the effect of reclassification of non-current portion of interest-bearing loans and borrowings to current due to the passage of time. The Group classifies interest paid as cash flows from operating activities.

Changes in lease liabilities arising from financing activities:

	1 January 2024 AED	*Cash flows AED*	*Other AED*	*31 December 2024 AED*
Current:				
Lease liabilities	**418,032**	**(2,398,617)**	**3,529,977**	**1,549,392**
Non-current:				
Lease liabilities	**400,680**	**-**	**3,588,416**	**3,989,096**
Total	**818,712**	**(2,398,617)**	**7,118,393**	**5,538,488**

	1 January 2023 AED	*Cash flows AED*	*Other AED*	*31 December 2023 AED*
Current:				
Lease liabilities	380,000	(429,103)	467,135	418,032
Non-current:				
Lease liabilities	599,857	-	(199,177)	400,680
Total	979,857	(429,103)	267,958	818,712

The 'Other' column includes the effect of reclassification of non-current portion of lease liabilities to current due to the passage of time and the effect of accretion on interest on lease liabilities. The Group classifies interest on lease liabilities as cash flows from operating activities.

26 FAIR VALUES OF FINANCIAL INSTRUMENTS

Capital management
The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in business conditions. No changes were made in the objectives, policies or processes during the years ended 31 December 2024 and 31 December 2023.

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.

26 FAIR VALUES OF FINANCIAL INSTRUMENTS continued

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

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

The following table gives information about how the fair value of the 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***	***Significant unobservable input***	***Relationship of unobservable inputs to fair value***
Non-listed equity investments	**5,925,609**	7,914,931	Level 3	Last transaction price	Net assets value	Higher the net assets value of the investees, higher the fair value.

There were no transfers between each of 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.

27 COMPARATIVE FIGURES

Certain comparative figures have been reclassified, wherever necessary, to conform to the presentation adopted in the consolidated financial statements. These reclassifications have no impact on the total assets, total liabilities, total equity, and profit of the Group.