Foodco National Foodstuff P.J.S.C.

Consolidated financial statements
31 December 2024

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Foodco National Foodstuff PJSC

REPORT OF THE BOARD OF DIRECTORS

31 DECEMBER 2024

The Directors have pleasure in submitting their report and the audited consolidated financial statements of the Group for the year ended 31 December 2024.

Principal activities

The principal activity of the Company and its subsidiaries (together, the "Group") is import and distribution of foodstuff and household items, catering services, facility management services and restaurants management.

Financial results

The results of the Group for the year are set out on page 6 to the consolidated financial statements.

Going concern basis

The Board of Directors has reasonable expectation that the Group has adequate resources and support to continue its operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the consolidated financial statements for the year ended 31 December 2024.

Transactions with related parties

The consolidated financial statements disclose related parties' transactions and balances in note 25. All transactions are carried out as part of our normal course of business and in compliance with applicable laws and regulations.

Auditors of the Company

KPMG Lower Gulf Limited were appointed as external auditors for the Group for the year ended 31 December 2024. KPMG Lower Gulf Limited have expressed their willingness to continue in office. A shareholder resolution for the reappointment of KPMG Lower Gulf Limited is proposed and to absolve them of their responsibility for the year ended 31 December 2024.

For and on behalf of Board of Directors



Chairman of the Board

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Independent auditors' report

To the Shareholders of Foodco National Foodstuff PJSC

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Foodco National Foodstuff PJSC ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory 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 (IFRS Accounting Standards).

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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (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.

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Key Audit Matters (continued)

Impairment testing of Goodwill

See note 14 to the consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
As of 31 December 2024, the carrying value of the goodwill amounted to AED 85,044,135. The entire goodwill has been allocated to the Abu Dhabi National Foodstuff cash-generating unit (CGU). The annual impairment testing of goodwill is considered to be a key audit matter due to the complexity of the accounting requirements and the significant judgement required in determining the assumptions to be used to estimate the recoverable amount. The recoverable amount of the CGUs, which is based on the higher of the value in use or fair value less costs of disposal, has been derived from discounted forecast cash flow models. These models use several key assumptions, including estimates of future sales volumes, operating costs, terminal value growth rates and the discount rate.	As part of our audit procedures, we: • Involved our valuation specialist to assist in evaluating the appropriateness of the discount rates applied, which included comparing the weighted- average cost of capital with sector averages for the relevant markets in which the CGUs operate. • Evaluated the appropriateness of the assumptions applied to key inputs such as sales volumes, operating costs, and long-term growth rates, which included comparing these inputs with externally derived data as well as our own assessments based on our knowledge of the client and the industry. • Performed sensitivity analysis, which included assessing the effect of reasonably possible reductions in growth rates and forecast cash flows to evaluate the impact on the currently estimated headroom for the CGU. • Evaluated the adequacy of the financial statement disclosures, including disclosures of key assumptions.

Other Information

Management is responsible for the other information. The other information comprises the Directors' report.

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.

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Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards and their preparation in compliance with the applicable provisions of the UAE Federal Decree 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.

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

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- 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 auditors' 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 auditors' 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 group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (continued)

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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 Decree Law No. 32 of 2021 we report that for the year ended 31 December 2024:

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

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

iii) the Group has maintained proper books of account;

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

v) as disclosed in note 13 to the consolidated financial statements, the Group has not purchased any shares during the year ended 31 December 2024;

vi) note 25 to the consolidated financial statements discloses material related party transactions and the terms under which they were conducted; and

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

KPMG Lower Gulf Limited

Avtar Jalif
Registration No.: 5413
Abu Dhabi, United Arab Emirates

Date: 25 MAR 2025

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Foodco National Foodstuff P.J.S.C.

Consolidated statement of profit or loss and other comprehensive income

for the year ended 31 December

	Note	2024 AED	2023 AED
Revenue	5	**65,683,526**	46,449,688
Cost of sales	6	**(59,941,117)**	(44,148,924)
Gross profit		**5,742,409**	2,300,764
General and administrative expenses	7	**(5,217,808)**	(7,348,665)
Impairment loss on trade receivables	16	**(358,524)**	(247,594)
Selling and marketing expenses	8	**(7,660,970)**	(8,718,699)
Finance costs	9	**(469,838)**	(752,951)
Other income		**152,715**	178,245
Loss for the year		**(7,812,016)**	(14,588,900)
Other comprehensive (loss) / income			
Items that will not be subsequently reclassified to the consolidated statement of profit or loss:			
Net changes in the fair value of investments carried at fair value through other comprehensive income	13	**(75,892)**	796,860
Total comprehensive loss for the year		**(7,887,908)**	(13,792,040)
Loss per share			
Basic and diluted loss per share	29	(0.03)	(0.05)

The notes set out on pages 10 to 42 form an integral part of these consolidated financial statements.

The independent auditors' report is set out on pages 2 to 5.

Foodco National Foodstuff P.J.S.C.

Consolidated statement of financial position

as at 31 December

	Note	2024 AED	2023 AED
Assets			
Non-current assets			
Property and equipment	10	**92,188,446**	64,779,170
Intangible assets	11	**115,456**	169,868
Goodwill	14	**85,044,135**	85,044,135
Right of use assets	12	**6,002,731**	6,293,250
Investments carried at fair value through other comprehensive income ("FVTOCI")	13	**3,301,281**	3,377,173
Total non-current assets		**186,652,049**	159,663,596
Current assets			
Inventories	15	**7,211,942**	5,849,020
Trade receivables and other assets	16	**12,076,495**	7,972,465
Amounts due from related parties	25	**127,660,614**	114,708,737
Cash and cash equivalents	17	**9,262,175**	1,680,131
Total current assets		**156,211,226**	130,210,353
Total assets		**342,863,275**	289,873,949
Equity and liabilities			
Equity			
Share capital	18	**280,000,000**	280,000,000
Legal reserve	19	**2,802,579**	2,802,579
Merger reserve	20	**(26,331,785)**	(26,331,785)
Investment revaluation reserve	21	**(266,001)**	(190,109)
Accumulated loss		**(45,341,561)**	(37,529,545)
Total equity		**210,863,232**	218,751,140
Non-current liabilities			
Employees' end of service benefits	22	**1,682,296**	1,713,030
Lease liability	12	**5,866,216**	6,034,886
Bank borrowings	24	**46,078,876**	-
Total non-current liabilities		**53,627,388**	7,747,916
Current liabilities			
Bank borrowings	24	**6,642,567**	727,072
Trade and other payables	23	**12,344,449**	5,033,562
Amounts due to related parties	25	**58,702,138**	56,935,554
Lease liability	12	**683,501**	678,705
Total current liabilities		**78,372,655**	63,374,893
Total liabilities		**132,000,043**	71,122,809
Total equity and liabilities		**342,863,275**	289,873,949

To the best of our knowledge, the consolidated financial statements fairly presents, in all material respects, the consolidated financial position, results of operations and cash flows of the Group as of and for the year ended 31 December 2024.

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 24/3/2025

Chairman **Manager-Director** **Finance Manager**

The notes set out on pages 10 to 42 form an integral part of these consolidated financial statements.
The independent auditors' report is set out on pages 2 to 5.

Foodco National Foodstuff P.J.S.C.

Consolidated statement of changes in equity

for the year ended 31 December

	Share capital AED	Legal reserve AED	Merger reserve AED	Investment revaluation reserve AED	Retained earnings AED	Total equity AED
At 1 January 2023	280,000,000	2,802,579	(26,331,785)	(986,969)	(22,940,645)	232,543,180
Total comprehensive loss for the year						
Loss for the year	-	-	-	-	(14,588,900)	(14,588,900)
Other comprehensive income for the year	-	-	-	796,860	-	796,860
	-	-	-	796,860	(14,588,900)	(13,792,040)
At 31 December 2023	280,000,000	2,802,579	(26,331,785)	(190,109)	(37,529,545)	218,751,140
As of 1 January 2024	280,000,000	2,802,579	(26,331,785)	(190,109)	(37,529,545)	218,751,140
Total comprehensive loss for the year						
Loss for the year	-	-	-	-	(7,812,016)	(7,812,016)
Other comprehensive loss for the year	-	-	-	(75,892)	-	(75,892)
	-	-	-	(75,892)	(7,812,016)	(7,887,908)
At 31 December 2024	280,000,000	2,802,579	(26,331,785)	(266,001)	(45,341,561)	210,863,232

The notes set out on pages 10 to 42 form an integral part of these consolidated financial statements.

Foodco National Foodstuff P.J.S.C.

Consolidated statement of cash flows

for the year ended 31 December

	Note	2024 AED	2023 AED
Cash flow from operating activities			
Loss for the year		**(7,812,016)**	(14,588,900)
Adjustment for:			
Depreciation of property and equipment	*10*	2,381,923	2,474,934
Depreciation of right of use assets	*12*	421,825	326,897
Amortisation of intangible assets	*11*	54,412	54,412
Gain on disposal of property and equipment		(95,238)	(71,756)
Gain on derecognition of ROU		(10,991)	-
Allowance for expected credit losses	*16*	358,524	247,594
Provision for employees' end of service benefits	*22*	334,926	353,304
Interest on lease liability	*12*	406,135	398,697
Allowance for slow moving inventories	*15*	210,000	2,116,641
Dividends income		(189,729)	(151,783)
Finance cost	*9*	63,703	354,254
		(3,876,526)	(8,485,706)
Changes in:			
Inventories		(1,572,922)	6,788,642
Trade receivables and other assets		(4,462,557)	4,181,626
Amounts due from related parties		(12,951,877)	34,211,469
Trade and other payables		2,059,290	(8,053,184)
Amounts due to related parties		1,766,584	2,493,670
		(19,038,008)	31,136,517
Employees' end of service benefits paid		(365,660)	(851,896)
Net cash (used in) / from operating activities		**(19,403,668)**	30,284,621
Cash flow from investing activities			
Purchase of property and equipment		**(24,539,599)**	(23,533,493)
Proceeds from disposal of property and equipment		95,238	81,339
Net cash used in investing activities		**(24,444,361)**	(23,452,154)
Cash flow from financing activities			
Finance cost paid		(63,703)	(354,254)
Proceeds from bank borrowings		86,697,384	47,690,977
Repayment of bank borrowings		(34,035,781)	(51,974,511)
Dividends received		189,729	151,783
Repayment of lease liabilities		(690,324)	(585,188)
Net cash from / (used in) financing activities		**52,097,305**	(5,071,193)
Net increase in cash and cash equivalents		**8,249,276**	1,761,274
Cash and cash equivalents at 1 January		**953,059**	(808,215)
Cash and cash equivalents at 31 December	*17*	**9,202,335**	953,059

The notes set out on pages 10 to 42 form an integral part of these consolidated financial statements.

The independent auditors' report is set out on pages 2 to 5.

Foodco National Foodstuff P.J.S.C.

Notes to the consolidated financial statements

1 Legal status and principal activities

Foodco National Foodstuff PJSC (the "Company") is a private joint stock company incorporated in Abu Dhabi, United Arab Emirates. The registered address of the Company is at P O Box 2378, Port Zayed, Mina, Abu Dhabi, UAE.

The Company is engaged in the provision of import and distribution of foodstuff and household items, catering services, facility management services and restaurants management. It is a subsidiary of Hily Holding PJSC, (the "Ultimate Parent Company"), which controls the Company.

The consolidated financial statements of Foodco National Foodstuff PJSC for the year ended 31 December 2024 comprise the financial information of Foodco National Foodstuff PJSC and its subsidiaries (together referred to as the "Group").

2 Basis of preparation

2.1 Going concern basis of accounting

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Group will be able to discharge its liabilities including the repayment terms of the banking facilities as disclosed in Note 24. Management has a reasonable expectation that the Group has and will have adequate resources to continue in operational existence for the foreseeable future.

2.2 Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS" or "IFRS Accounting Standards") as issued by International Accounting Standard Board (" IASB"), and comply with applicable requirements of the UAE Federal Law No. 32 of 2021.

2.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Subsidiaries are entities controlled by the Group. Control exists 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 all of the following:

- 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

Generally, there is a presumption that a majority of voting rights results in control. When the Group has less than a majority of the voting, or similar, rights of an investee, it 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

2 Basis of preparation *(continued)*

2.3 Basis of consolidation *(continued)*

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary. 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 in 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 related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is measured at fair value.

The consolidated financial statements comprise the financial statements of the Company and of its following subsidiaries:

Name of subsidiary	***Principal activity***	***Country of incorporation***	***Percentage of holding***	
			31 December 2024	*31 December 2023*
Abu Dhabi National Foodstuff Company	Catering services and wholesale of foodstuff	United Arab Emirates	**100%**	100%
5PL Logistics Solutions LLC	Shipment, clearance and warehousing services	United Arab Emirates	**100%**	100%
National Oasis Foodstuff Company LLC	Packing of foodstuff	United Arab Emirates	**100%**	0%

Transactions with entities under the common control of the Shareholder

Acquisition of interest in entities that are under common control of the Ultimate Parent Company which lack commercial substance and are based on a decision by the Ultimate Parent Company are accounted for in accordance with the pooling of interest method of accounting using predecessor values method. The consolidated financial statements of the combined entities are presented as if the business had been combined from the date when the combining entities were first brought under common control without restating and presenting the prior period. The assets and liabilities are accounted for at carrying amounts previously recorded in the books of the acquiree. The components of equity of the acquired entities are added to the same components within the Group's equity.

Acquisition of interest in entities that are under common control of the Ultimate Parent Company which have commercial substance are recorded for using the acquisition method.

3 Changes in accounting policy

Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

The Group has adopted Classification of Liabilities as Current or Non-current (Amendments to IAS 1) and Non-current Liabilities with Covenants (Amendments to IAS 1) from 1 January 2024. The amendments apply retrospectively. They clarify certain requirements for determining whether a liability should be classified as current or non-current and require new disclosures for non-current loan liabilities that are subject to covenants within 12 months after the reporting period. The Group's other liabilities were not impacted by the amendments.

Despite the change in policy, there is no retrospective impact on the comparative statement of financial position as at 31 December 2023.

4 Material accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities, except if mentioned otherwise.

(a) Business combinations and goodwill

Business combinations are accounted for using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

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 administrative expenses.

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

Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date as part of the business combination. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the consolidated statement of comprehensive income.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest 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 the consolidated statement of comprehensive income.

4 Material accounting policies *(continued)*

(a) Business combinations and goodwill *(continued)*

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

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

(b) Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer. The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Type of product/service	**Nature and timing of satisfaction of performance obligations, including significant payment terms**	**Revenue recognition policies**
Sale of goods	Customers obtain control of goods when the goods are delivered to and have been accepted at their premises. Invoices are generated at that point in time. Invoices are usually payable within 60 days.	Revenue from the sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.
Freight forwarding and logistics services	Customers are assessed to have obtained control of the services provided when they have accepted receipt of the services.	Revenue is recognised when the performance obligations has been performed and been accepted by customers. Revenue is recognised at point in time as the services are provided.
Storage services	Invoices for storage are issued on a monthly basis and are usually payable within 30 days.	Revenue arising from storage services is accounted for on the basis of the number of the days services are provided, and the Group recognises revenue over time, as the services are rendered.

4 Material accounting policies *(continued)*

(b) Revenue recognition *(continued)*

Revenue from contracts with customers for sale of goods or services
The Group recognises revenue from contracts with customers based on a five step model as set out in IFRS 15:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.
Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation.

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.

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.

Sale of goods
Revenue from the sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

Rendering of services
The Group's performance obligation comprises providing warehouse management services and freight forwarding to the customers and it recognises revenue over time, as the services are rendered.

4 Material accounting policies *(continued)*

(c) Value added tax (VAT)

Expenses and assets are recognised net of the amount of VAT, except:

- When VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of VAT included

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

(d) Property and equipment

Recognition and measurement
Items of property and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

Cost includes expenditures that are directly attributable to the acquisition of the asset. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Subsequent costs
The cost of replacing part of an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property and equipment are recognised in the consolidated statement of comprehensive income as incurred.

Depreciation
Items of property and equipment are depreciated from the date they are available for use or, in respect of self-constructed assets, from the date that the asset is completed and ready for use.

	Years
Warehouse and office buildings	25
Equipment, furniture and fittings	5-10
Motor vehicles	4-5

Depreciation methods, useful lives and residual values, are reviewed at each reporting date.

Capital work in progress
Capital work in progress is stated at cost. When commissioned, capital work in progress is transferred to the appropriate plant and equipment category and depreciated in accordance with the Group's policies.

(e) Intangible assets

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. Subsequent expenditure on software assets is capitalised only when such expenditure increases the future economic benefits embodied in the specific asset to which it relates.

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each consolidated statement of financial position date.

4 Material accounting policies *(continued)*

(f) 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 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). The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The right-of-use assets are also subject to impairment.

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

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

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

4 Material accounting policies *(continued)*

***(f)* Leases** *(continued)*

Group as a lessor
Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an assets 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 and arranging 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. Contingent rents are recognised as revenue in the period in which they are earned.

***(g)* Financial instruments**

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

i) Financial assets

Initial recognition and measurement
Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. All financial assets are recognised initially at fair value plus, in the case of a financial assets not recorded at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

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

Financial assets at amortised cost (debt instruments)
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 consolidated statement of profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade receivables and other assets, cash and bank balances and amounts due from related parties.

Financial assets 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 IFRS 9: 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 income in the consolidated statement of comprehensive income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at FVOCI are not subject to impairment assessment.

4 Material accounting policies *(continued)*

***(g)* Financial instruments** *(continued)*

i) Financial assets *(continued)*

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

Business model assessment
The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed; and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about the future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realised.

Assessment whether contractual cash flows are solely payments of principal and interest:
For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition and its related interest which is recognised using the effective interest rate method.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

In making the assessment, the Group considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
- features that modify consideration of the time value of money – e.g. periodical reset of interest rate.

4 Material accounting policies *(continued)*

***(g)* Financial instruments** *(continued)*

i) Financial assets *(continued)*

Derecognition
A financial asset 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 of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

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

ii) Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss.

The Group's financial liabilities include trade and other payables, lease liabilities and amounts due to related parties.

Subsequent measurement
For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost

4 Material accounting policies *(continued)*

(g) Financial instruments *(continued)*

ii) Financial liabilities *(continued)*

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the consolidated statement of comprehensive income. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost
After initial recognition, loans and borrowings 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 (under net finance costs) in the consolidated statement of comprehensive income.

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

(h) 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.

4 Material accounting policies *(continued)*

(i) Fair value measurement

The Group measures financial instruments such as financial assets at fair value at each reporting date.

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

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

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

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

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

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

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

(j) Impairment

Financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information, internal credit rating, external credit rating (as far as available), actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations.

Regardless of analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

4 Material accounting policies *(continued)*

(j) Impairment *(continued)*

Financial assets carried at amortised cost
The Group recognizes lifetime expected credit loss (ECL) for trade receivables, using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience and an analysis of the debtor's current financial position, adjusted for forward looking factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to finance costs in the consolidated statement of comprehensive income.

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 cash-generating units' (CGU) fair value less costs to sell and its value in use and 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 to sell, recent market transactions are taken into account, if available. 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 subsidiaries or other available fair value indicators.

The Group bases its impairment calculation on detailed 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. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

The following asset has specific characteristics for impairment testing:

(k) Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash in hand, Cash at banks – current accounts net of bank overdrafts.

4 Material accounting policies *(continued)*

(l) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less any further costs expected to be incurred on disposal.

(m) Employees' end of service benefits

The Group provides for staff terminal benefits based on an estimation of the amount of future benefit that employees have earned in return for their service until their retirement. This calculation is performed based on a projected unit credit method.

Also need to include the accounting policy for defined contribution

The Group contributes to the pension scheme for UAE nationals under the UAE pension and social security law. This is a defined contribution pension plan and the Group's contributions are charged to the consolidated statement of profit or loss in the period to which they relate. In respect of this scheme, the Group has a legal and constructive obligation to pay the fixed contributions as they fall due and no obligations exist to pay the future benefits.

(n) Provisions

Provisions are recognised if, as a result of past events, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the effect of time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

The provisions are reviewed and adjusted at each reporting date, and if outflow is no longer probable, the provision is reversed to income.

(o) Current versus non-current classification

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

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

The Group classifies all other liabilities as non-current.

4 Material accounting policies *(continued)*

(p) Foreign currencies

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

(q) New standards or amendments for 2024 and forthcoming requirements

New currently effective standards

A number of new accounting standards are effective for annual periods beginning after 1 January 2024, and earlier application is permitted. The Group has adopted these new or amended accounting standards in preparing these consolidated financial statements however adoption of these new or amended standards did not have a material impact on the financial statements.

New standard or amendments	Effective date
Non-current Liabilities with Covenants – Amendments to IAS 1	1 January 2024
Classification of liabilities as Current or Non-current - Amendments to IAS 1	1 January 2024
Lease Liability in Sale and Leaseback – Amendments to IFRS 16	1 January 2024
Supplier Finance Agreements – Amendments to IAS 7 and IFRS 7	1 January 2024

Forthcoming requirements

A number of new standards and amendment standards are effective for annual periods beginning after 1 January 2025 and earlier application is permitted; however, the Group has not early adopted any of the forthcoming new or amended standards in preparing these financial statements. Management anticipates that the application of the following standards does not have a material impact on the Group's consolidated financial statements in the period of initial application.

New standard or amendments	Effective date
Lack of Exchangeability – Amendments to IAS 21	1 January 2025
Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	1 January 2026
Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026
IFRS 18 Presentation and Disclosure of Financial Statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Effective date deferred indefinitely

5 Revenue

The Group generates revenue primarily from the sale of food stuff and rendering of services against management of stock.

	2024 AED	2023 AED
Type of revenue		
Sale of goods	**50,708,833**	33,337,411
Freight forwarding and storage	**14,784,964**	12,960,494
Dividend income	**189,729**	151,783
	65,683,526	46,449,688

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	2024 AED	2023 AED
Goods transferred at a point in time	**50,708,833**	33,337,411
Services transferred at a point in time	**14,784,964**	13,112,277
	65,493,797	46,449,688

Geographical markets

	2024 AED	2023 AED
Primary Geographical Markets		
United Arab Emirates	**50,315,260**	46,449,688
Kingdom of Saudi Arabia	**2,884,276**	-
Kuwait	**8,683,312**	-
Bahrain	**3,610,949**	-
	65,493,797	46,449,688

5.1 Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

	2024 AED	2023 AED
Receivables, which are included in 'trade receivables and other assets'	**38,424,532**	34,814,827

6 Cost of sales

	2024 AED	2023 AED
Direct materials	**32,099,999**	29,390,225
Other direct expense	**10,347,935**	1,081,942
Staff costs	**8,281,102**	5,791,830
Logistic cost	**5,685,957**	4,235,596
Rent Warehouses	**2,394,311**	2,391,758
Utilities expenses	**1,131,813**	1,166,848
Consultancy expense	**-**	90,725
	59,941,117	44,148,924

7 General and administrative expenses

	2024 AED	2023 AED
Staff cost	**1,796,876**	2,531,419
Directors remuneration	**65,000**	-
Legal and professional fees	**122,668**	79,072
Audit Fees (7.1)	**175,000**	175,000
Utilities expense	**198,002**	199,440
Repairs and maintenance expenses	**252,767**	525,709
Depreciation on property and equipment *(note 10)*	**208,536**	324,404
Travelling expenses	**551,427**	411,878
License and registration expenses	**762,443**	911,470
Amortisation expenses *(note 11)*	**54,412**	54,412
Other expenses	**1,030,677**	2,135,861
	5,217,808	7,348,665

7.1 Audit fees

	2024 AED	2023 AED
Financial statements audit fee*	**145,000**	145,000
Other Services	**30,000**	30,000
	175,000	175,000

*This includes financial statements audit fee for the group financial statements of the Company and for audit of standalone alone financial statements of its subsidiaries.

8 Selling and marketing expenses

	2024 AED	2023 AED
Staff cost	**2,721,383**	3,537,861
Depreciation on property and equipment *(note 10)*	**2,173,386**	2,150,530
Promotional expenses	**2,102**	1,357,323
Travelling expenses	**727,405**	901,608
Depreciation on right of use assets *(note 12)*	**421,825**	326,897
Marketing department expenses	**1,050,835**	25,578
Tender expensess	**32,100**	51,800
Other expenses	**531,934**	367,102
	7,660,970	8,718,699

9 Finance costs

	2024 AED	2023 AED
Interest on lease liabilities *(note 12)*	**406,135**	398,697
Interest on bank borrowings	**68,856**	342,703
Others (income) / expense	**(5,153)**	11,551
	469,838	752,951

10 Property and equipment

	Warehouse buildings AED	Equipment Furniture and fittings AED	Motor vehicles AED	Capital work in Progress* AED	Total AED
Cost					
At 1 January 2023	40,729,903	10,479,650	7,109,574	6,671,870	64,990,997
Additions	369,178	60,181	313,000	22,791,134	23,533,493
Disposals	(110,376)	(94,795)	(1,235,412)	-	(1,440,583)
Transfers	-	-	-	-	-
At 31 December 2023	40,988,705	10,445,036	6,187,162	29,463,004	87,083,907
At 1 January 2024	40,988,705	10,445,036	6,187,162	29,463,004	87,083,907
Additions	-	144,155	229,382	29,417,662	29,791,199
Disposals	-	-	-	-	-
At 31 December 2024	**40,988,705**	**10,589,191**	**6,416,544**	**58,880,666**	**116,875,106**
Accumulated depreciation					
At 1 January 2023	5,827,013	8,587,751	6,846,039	-	21,260,803
Charge for the year	1,607,394	617,060	250,480	-	2,474,934
Disposals	(100,933)	(94,795)	(1,235,272)	-	(1,431,000)
At 31 December 2023	7,333,474	9,110,016	5,861,247	-	22,304,737
At 1 January 2024	7,333,474	9,110,016	5,861,247	-	22,304,737
Charge for the year	1,607,394	586,395	188,134	-	2,381,923
Disposals	-	-	-	-	-
At 31 December 2024	**8,940,868**	**9,696,411**	**6,049,381**	-	**24,686,660**
Net carrying amounts					
At 31 December 2024	**32,047,837**	**892,780**	**367,163**	**58,880,666**	**92,188,446**
At 31 December 2023	**33,655,231**	**1,335,020**	**325,915**	**29,463,004**	**64,779,170**

*Capital work in progress includes a new warehouse being constructed to increase warehousing capacity of 5PL Logistics Solutions. The construction is financed from loans and borrowings obtained by the Group. Included in this amount are capitalized borrowing costs of AED 4,384,549, calculated using a capitalization rate of 8.34%.

11 Intangible assets

	2024 AED	2023 AED
Cost		
At 1 January	**498,704**	498,704
Additions	**-**	-
At 31 December	**498,704**	498,704
Accumulated amortisation		
At 1 January	**328,836**	274,424
Charge for the year	**54,412**	54,412
At 31 December	**383,248**	328,836
Net carrying amount:		
At 31 December	**115,456**	169,868

Intangible assets mainly comprise software.

12 Leases

(a) Right-of-use assets

	2024 AED	2023 AED
At 1 January	**6,293,250**	6,100,598
Acquired during the year	**216,494**	519,549
Depreciation expense for the year *(note 8)*	**(421,825)**	(326,897)
Derecognition of rights of use assets*	**(85,188)**	-
At 31 December	**6,002,731**	6,293,250

The company did not avail exemption for any short term leases or leases of low value asset.

*During the year, two lease contracts were cancelled.

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

	2024 AED	2023 AED
Selling and distribution expenses (note 8)	**421,825**	326,897

12 Leases *(continued)*

(b) Lease liabilities

	2024 AED	2023 AED
As at first January	**6,713,591**	6,380,533
Lease expired during the year	**(85,188)**	-
Leases recognized during the year	**205,503**	519,549
Interest expenses	**406,135**	398,697
Payments	**(690,324)**	(585,188)
	6,549,717	6,713,591

Analysed in the consolidated statement of financial position is as follows:

	2024 AED	2023 AED
Current	**683,501**	678,705
Non-current	**5,866,216**	6,034,886
	6,549,717	6,713,591

13 Investments carried at fair value through other comprehensive income

The Group's investments at the end of the reporting year are detailed below.

	2024 AED	2023 AED
Equity investments carried at fair value through other comprehensive income	**3,301,281**	3,377,173

The movement in investments carried at fair value through other comprehensive income is as follows:

	2024 AED	2023 AED
At 1 January	**3,377,173**	2,580,313
Change in fair value	**(75,892)**	796,860
At 31 December	**3,301,281**	3,377,173

The Group has not purchased any shares during the year ended 31 December 2024 and 31 December 2023.

14 Goodwill

Company	*Date of acquisition*	*Shareholding interest*	*Amount AED*
Abu Dhabi National Foodstuff Company	2018	100%	85,044,135

The recoverable amount of the CGU (value in use) for impairment testing was estimated based on the present value of forecasted cashflows expected to be derived using discount rate of 11.41% (2023: 10.42%) and terminal value growth rate of 5.1% (2023: 4.5%).

The Discount rate used was a measure based on the rate of Abu Dhabi 10-year nominal treasury issued by the government in the UAE market, adjusted for equity and currency risk premium, country risk premium, size risk premium and industry risk premium to reflect the increased risk of investing in equities generally and the systematic risk of the specific CGU.

Management has performed sensitivity analysis for possible upward and downward changes of 10% in discounted forecasted cashflows. With regard to the assessment of value-in-use, management believes that no reasonable possible change in any of the key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

15 Inventories

	2024 AED	2023 AED
Goods for resale	**5,807,391**	7,642,262
Consumables	**1,517,021**	-
Less: allowance for slow moving inventories	**(112,470)**	(1,793,242)
	7,211,942	5,849,020

The movement in the allowance for slow moving inventories during the year was as follows:

	2024 AED	2023 AED
At 1 January	**1,793,242**	1,440,023
Charge for the year*	**210,000**	2,116,641
Written off during the year	**(1,890,772)**	(1,763,422)
At 31 December	**112,470**	1,793,242

*Charge for the year has been included in cost of sales.

16 Trade receivables and other assets

	2024 AED	2023 AED
Trade receivables	**38,424,532**	34,814,827
Less: allowance for expected credit losses on trade receivables	**(28,257,290)**	(27,992,486)
	10,167,242	6,822,341
Prepayments	**1,163,771**	614,894
Advance to suppliers	**1,944,234**	2,081,509
Other receivables	**754,641**	536,803
Less: impairment losses of advances and other receivables	**(1,953,393)**	(2,083,082)
	12,076,495	7,972,465

The movement in the allowance for expected credit losses on trade receivable was as follows:

	2024 AED	2023 AED
At 1 January	**27,992,486**	23,989,750
Charge for the year	**358,524**	247,594
Transfer	**-**	3,755,142
Reversal	**(93,720)**	-
At 31 December	**28,257,290**	27,992,486

The carrying amounts of the Group's trade receivables are denominated in the UAE Dirham and approximate their fair value as at 31 December 2024 and 2023.

Transfer represents amounts of discount, credit notes recorded as accrual in previous year and transferred to allowance for expected credit losses once the group confirmed the amounts.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of the receivables mentioned above. The Group does not hold any collateral as security.

17 Cash and cash equivalents

	2024 AED	2023 AED
Cash in hand	**53,525**	54,895
Cash at banks – current accounts	**9,208,650**	1,625,236
	9,262,175	1,680,131
Less: bank overdrafts (*Note 24*)	**(59,840)**	(727,072)
Cash and cash equivalents for the purpose of statement of cash flows	**9,202,335**	953,059

18 Share capital

	2024 AED	2023 AED
Authorised, issued and fully paid		
280,000,000 shares of AED 1 each	**280,000,000**	280,000,000

The Group has not purchased any shares during the year ended 31 December 2024.

19 Legal reserves

In line with the provisions of the UAE Federal Decree Law No. 32 of 2021, and the Company's Articles of Association, the Company is required to transfer annually to a statutory reserve account an amount equivalent to 5% of its profit, until such reserve reaches 50% of the share capital of the Company.

20 Merger reserve

This reserve was created on 1 January 2020 as a result of transfer of 100% ownership by the ultimate Parent Company "Hilly Holding PJSC" in 5PL logistics Solutions L.L.C to the Company as part of the Parent's group restructuring activities.

21 Investment revaluation reserve

It comprises cumulative net change in the fair value of equity securities designated at FVOCI.

22 Employees' end of service benefits

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

	2024 AED	2023 AED
At 1 January	**1,713,030**	2,211,622
Charge for the year	**334,926**	353,304
Employees' end of service benefits paid	**(365,660)**	(851,896)
At 31 December	**1,682,296**	1,713,030

23 Trade and other payables

	2024 AED	2023 AED
Trade payables	**3,693,483**	2,648,430
Accrued expenses	**3,297,366**	2,151,983
Advance from customers	**26,619**	207,362
Retention payable	**5,251,600**	-
Deferred rental income	**-**	23,793
Other payables	**75,381**	1,994
	12,344,449	5,033,562

24 Bank borrowings

	2024 AED	2023 AED
Loans and borrowings	**52,661,603**	-
Bank overdrafts *(refer note 24.1)*	**59,840**	**727,072**
	52,721,443	**727,072**

Bank overdrafts and secured bank borrowings are repayable as follows:

	2024 AED	2023 AED
Current portion	**6,642,567**	727,072
Non-current portion	**46,078,876**	-
At 31 December	**52,721,443**	727,072

The movement in bank borrowings during the year is as follows:

	2024 AED	2023 AED
As at 1 January	**727,072**	5,437,044
Additions during the year	**86,757,224**	47,264,539
Repayments during the year	**(34,762,853)**	(51,974,511)
At 31 December	**52,721,443**	727,072

24.1 The Group has obtained bank overdraft facility to meet short-term working capital requirements and is repayable on demand. This facility is secured against investments and carry mark up at applicable market rate plus margin.

25 Related party transactions and balances

The Group, in the normal course of business, enters into transactions with other enterprises, which fall within the definition of a related party contained in IAS 24. Such transactions are on arm's length with related parties. There is no ultimate controlling party, Hily Holding P.J.S.C is the ultimate controlling party of the subsidiaries mentioned in Note 2.

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

(a) *Amounts due from related parties*

	Nature of Relationship	2024 AED	2023 AED
Hily Holding - P.J.S.C.	Shareholder	**118,777,648**	110,080,916
Green Motors	Related party	**7,796,348**	3,958,081
Ali & Sons Co. LLC	Common Shareholder	**525,094**	500,817
Mohamed Ali Al Hossani	Director	**269,249**	95,404
Ahmed Ali Khalfan Al Dhahery	Common Shareholder	**21,634**	39,171
Mohamed Al Qubaissi	Director	**5,600**	5,600
Mohammad Bin Ahmad Bin Saeed	Common Shareholder	**252,139**	-
Others		**12,902**	28,748
		127,660,614	114,708,737

25 Related party transactions and balances *(continued)*

(b) Amounts due to a related party

	Nature of Relationship	**2024 AED**	2023 AED
Al Wathba National Insurance Company	Common shareholder	**47,162**	**16,211**
Dana Plaza Real Estate - Sole Proprietorship L.L.C	Common ownership	**58,569,892**	**56,859,863**
Green Lease	Common ownership	**85,084**	**59,480**
		58,702,138	**56,935,554**

Outstanding balances at the year-end arise in the normal course of business and are payable on demand. The Group has not recorded any impairment of amounts due from related parties during the year ended 31 December 2024 (2023: AED nil).

(c) Transactions with related parties

	2024 AED	2023 AED
Sales	**6,344,258**	5,338,941
Purchases	**480,679**	170,623
Transfer of funds to related party	**(8,696,732)**	37,513,409

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

	2024 AED	2023 AED
Management compensation	**1,957,366**	1,186,527
Employees' end of service benefits	**153,121**	153,304
	2,110,487	1,339,831

26 Financial risk management objectives and policies

26.1 Capital management

The primary objective of the Group's management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in business conditions, to maintain or adjust the capital structure. No changes were made in the objectives, policies or processes during the years ended 31 December 2024 and 2023. Capital comprises share capital, legal reserve, merger reserve, retained earnings and investment revaluation reserve.

26.2 Foreign currency risk management

Foreign currency risk comprises of transaction and 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 the AED.

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 AED, 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 AED and US Dollars. As the AED is pegged to the US Dollar, balances in US Dollars are not considered to represent significant currency risk.

26 Financial risk management objectives and policies *(continued)*

26.3 Credit risk management

The Group trades only with recognised and creditworthy third parties. Receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. Credit risk is limited to the carrying values of financial assets in the consolidated statement of financial position.

With respect to credit risk arising from other financial assets of the Group, which comprise bank balances and cash, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

The maximum exposure to credit risk at the end of the reporting period was as follows:

Credit risk	**Maximum exposure 2024 AED**	Maximum exposure 2023 AED
Trade receivables and other assets	**10,921,883**	7,357,571
Bank balances (excluding cash in hand)	**9,208,650**	1,625,236
Amounts due from related parties	**127,660,614**	114,708,737
	147,791,147	123,691,544

Expected credit loss assessment

The Group uses an allowance matrix to measure the ECLs of trade receivables

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on the following common credit risk characteristics – geographic region, age of customer relationship and type of product purchased.

Loss rates are based on actual credit loss experience over the past three years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Company's view of economic conditions over the expected lives of the receivables.

The following table provides information about the exposure to credit risk and ECLs for trade receivables from customers as at 31 December 2024.

	31 December 2024		
	Gross AED	**Expected credit loss rate AED**	**Impairment AED**
Current	**-**	**0%**	**-**
1 to 30 days	**4,265,499**	**0%**	**-**
31 to 60 days	**5,044,572**	**4%**	**(200,801)**
61 to 180 days	**7,201,300**	**89%**	**(6,389,573)**
More than 180 days	**21,913,161**	**99%**	**(21,666,916)**
	38,424,532		**(28,257,290)**

26 Financial risk management objectives and policies *(continued)*

26.3 Credit risk management *(continued)*

Expected credit loss assessment *(continued)*

The following table provides information about the exposure to credit risk and ECLs for trade receivables from customers as at 31 December 2023.

	31 December 2023		
	Gross AED	Expected credit loss rate AED	Impairment AED
Current	-	0%	-
1 to 30 days	2,539,321	0%	-
31 to 60 days	1,577,598	0%	-
61 to 180 days	9,189,164	71%	(6,483,742)
More than 180 days	21,508,744	100%	(21,508,744)
	34,814,827		(27,992,486)

26.4 Liquidity risk management

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 limits its liquidity risk by ensuring maintaining adequate reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following table details the Group's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on contractual undiscounted payments.

	Carrying amount AED	Contractual cash flows AED	One year or less AED	more than one year AED
31 December 2024				
Trade and other payables	12,344,449	(12,344,449)	(12,344,449)	-
Amounts due to related parties	58,702,138	(58,702,138)	-	(58,702,138)
Bank borrowing	52,721,443	(56,491,026)	(10,412,151)	(46,078,876)
Lease liabilities	6,549,717	(11,875,920)	(663,543)	(11,212,377)
	130,317,747	(139,413,533)	(23,420,143)	(115,993,391)

	Carrying amount AED	contractual cash flows AED	One yar or less AED	more than one year AED
31 December 2023				
Trade and other payables	5,033,559	(5,033,559)	(5,033,559)	-
Amounts due to related parties	56,935,554	(56,935,554)	(56,935,554)	-
Bank borrowing	727,072	(727,072)	(727,072)	-
Lease liabilities	6,713,591	(12,159,962)	(541,197)	(11,618,765)
	69,409,776	(74,856,147)	(63,237,382)	(11,618,765)

27 Fair value measurement

The fair values of the Group's financial assets and liabilities as at 31 December 2024 are not materially different from their carrying values at the same date.

The following table provides the fair value measurement hierarchy of the Group's financial assets and financial liabilities which are measured at fair value as at 31 December 2024 and 31 December 2023:

		Fair value measurement		
	Total AED	Quoted prices in active markets Level 1 AED	Significant observable inputs Level 2 AED	Significant unobservable inputs Level 3 AED
As at 31 December 2024				
Financial assets:				
Investments held at fair value through other comprehensive income	**3,301,281**	**3,301,281**	-	-
Total	**3,301,281**	**3,301,281**	-	-

		Fair value measurement		
	Total AED	Quoted prices in active markets Level 1 AED	Significant observable inputs Level 2 AED	Significant unobservable inputs Level 3 AED
As at 31 December 2023				
Financial assets:				
Investments held at fair value through other comprehensive income	3,377,173	3,377,173	-	-
Total	3,377,173	3,377,173	-	-

There were no transfers between Level 1 and Level 2 fair value measurements during the year, and no transfers into or out of Level 3 fair value measurements.

28 Commitments and contingent liabilities

	2024 AED	2023 AED
Bank guarantees	**1,565,992**	1,987,245
Letters of credit	**9,105,624**	2,414,921

The above bank guarantees were issued in the normal course of business.

Capital commitments

As at reporting date, the capital commitments relate to the following:

	2024 AED	2023 AED
Warehouse expansion	**7,334,002**	41,817,382

The Group is expanding one of its warehouses in Al Mafraq and has engaged an external contractor for the same. The expansion is expected to be substantially completed by July 2025.

29 Basic and diluted earnings per share

Basic and diluted earnings per share is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of shares outstanding during the year.

The following reflects the loss and share data used in the basic and diluted earnings per share computations:

	2024 AED	2023 AED
Loss for the year, year, attributable to the owners of the Company (AED)	**(7,812,016)**	(14,588,900)
Weighted-average number of ordinary shares issued	**280,000,000**	280,000,000
Basic and diluted loss per share (AED)	**(0.03)**	(0.05)

30 Accounting estimates and judgments

In the process of applying the Group's accounting policies, management has used estimates and made following judgement that have the most significant effect on the amounts of assets and liabilities recognised in the consolidated financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances..

Estimates

Impairment testing of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units to which goodwill has been allocated. The value in use calculations require that the Group estimate future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value of those estimated future cash flows *(refer note 14)*.

31 Corporate Tax

UAE Federal Decree-Law No (47) of 2022 on the Taxation of Corporations and Businesses:

On 9 December 2022, the UAE Ministry of Finance released the Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses ('the CT Law') to enact a Federal corporate tax ('CT') regime in the UAE. The CT Law will be effective for financial years beginning on or after 1 June 2023 and therefore applicable to the Group from FY 2024 onwards. The Cabinet Decision No. 116 of 2022 specifies the threshold of income (as AED 375,000) over which a corporate tax of 9% would apply and accordingly, the CT Law is now considered to be substantively enacted.

For the Group, current taxes shall be accounted for as appropriate in the financial statements for the period beginning 1 January 2024.

The Group is registered under its parent, Hily Holding PJSC which includes Foodco National Foodstuff PJSC and its subsidiaries for the purpose of determining taxable income in accordance with Article 42 of the Federal Decree Law No. 47 of 2022. Consequently, the Parent Company has consolidated the financial results, assets and liabilities of the subsidiaries within the Tax group election for the relevant Tax period, eliminating transactions between Parent and each subsidiary that is member of the Tax Group. Additionally, the Group has elected to account for gains and losses of changes in fair value of investments on a realisation basis along with other adjustments. As per agreement among tax group entites any tax expense or tax liability arising at tax group level is not allocated to indidual entity within the tax group. Accordingly the group has not accounted for any income taxes in these consolidated financial statements.

32 Segment information

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating Officer in order to allocate resources to the segment and to assess its performance.

For operating purposes, the Group is organised into two major business segments:

i) Trading;
ii) Freignt and storage.
iii) Non-core business units (" other")

Transactions between segments are conducted at rates determined by management taking into consideration the cost of funds

The segment assets and liabilities are as follows:

	Trading AED	Logistics and storage AED	Other AED	Elimination AED	Consolidated AED
At 31 December 2024					
Total assets	**163,991,645**	**144,542,670**	**272,611,146**	**(238,282,186)**	**342,863,275**
Total liabilities	**36,253,936**	**167,968,059**	**926,003**	**(73,147,955)**	**132,000,043**

	Trading AED	Logistics and storage AED	Other AED	Elimination AED	Consolidated AED
For the year ended 31 December 2024					
Revenue – external					
- *Sale of Goods*	**50,708,834**	-	-	-	**50,708,834**
- *Fright forwarding and storage services*	-	**14,784,963**	-	-	**14,784,963**
- *Dividend income*	-	-	**189,729**	-	**189,729**
Revenue – internal	-	**3,324,861**	-	**(3,324,861)**	-
Profit for the period	**892,850**	**(8,444,213)**	**(260,653)**	-	**(7,812,016)**

32 Segment information *(continued)*

	Trading AED	Logistics and storage AED	Other AED	Elimination AED	Consolidated AED
At 31 December 2023					
Total assets	157,728,658	105,150,556	271,914,441	(244,919,709)	289,873,946
Total liabilities	27,558,934	123,456,582	(78,866)	(79,813,844)	71,122,806

	Trading AED	Logistics and storage AED	Other AED	Elimination AED	Consolidated AED
For the year ended 31 December 2023					
Revenue – external					
- *Sale of Goods*	33,335,711	-	-	-	33,335,711
- *Fright forwarding and storage services*	-	12,962,194	-	-	12,962,194
- *Dividend income*	-	-	151,783	-	151,783
Revenue – internal	-	3,656,289	-	(3,656,289)	-
Profit for the period	(12,452,318)	(2,482,518)	(130,529)	476,468	(14,588,897)

33 Comparative figures

The comparative figures have been reclassified in order to conform to the current presentation and improve the quality of information presented. However, there was no effect on previously reported total assets, total equity, total liability and profit for the year.