RAPCO Investment P.J.S.C

Ras Al Khaimah, United Arab Emirates

Reports and financial statements
For the year ended 31 December 2024

RAPCO Investment P.J.S.C

Ras Al Khaimah - United Arab Emirates

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RAPCO Investment P.J.S.C

Ras Al Khaimah - United Arab Emirates
General information

Principal office address:	Al Jazirah Alhamra P.O. Box: 184 Ras Al Khaimah United Arab Emirates T: +971 72 462 2222 Website: www.rapcoinvestment.ae
The Board of Directors:	Shaikh Mohamed Humaid Abdulla Mohamed Alqasimi, Chairman, (Emirati) Mubarak Ali Mubarak Alshamsi, Deputy Chairman, (Emirati) Abdulla Khalfan Mohammed Alshraiqi Almehrzi, Member of the Board of Directors, (Emirati) Aaesha Saif Ahmed Alkhanbouli Alshehhi, Member of the Board of Directors, (Emirati) Mohammed Hasan Mohammed Alshamsi Alawadhi Member of the Board of Directors, (Emirati)
The General Manager:	Raman Garg Mahabir Saran Garg
The Auditor:	Crowe Mak P.O. Box: 6747 Dubai, United Arab Emirates
The Banks:	Abu Dhabi Commercial Bank National Bank of Ras Al Khaimah Commercial International Bank Dubai Islamic Bank First Abu Dhabi Bank

Directors' report

The Directors have pleasure in presenting their report and the audited financial statements for the year ended 31 December 2024.

Principal activities of the Entity

The principal activities of RAPCO Investment P.J.S.C (the "Entity") are commercial enterprises investment, institution and management, real estate enterprises investment, development, institution and management, and agricultural enterprises investment, institution and management.

Financial review

The table below summarizes the results of the year 2024 and 2023.

	2024	2023
	AED	AED
Net profit for the year	**31,806,021**	16,906,826
Basic and diluted earnings per share	**0.334**	0.177

Dividend

The Directors of the Entity in their meeting on 13 March 2025 reviewed the financial results for the year ended 31 December 2024, and, after careful consideration, has recommended not distributing dividends to shareholders. This decision aligns with the Entity's 2025 strategy, which focuses on building a scalable investment portfolio to create long-term value for shareholders. A significant portion of the Entity's profits for 2024 were driven by fair valuation gains rather than cash profits, and given the nature of the investment business, the Board believes that retaining these earnings for reinvestment is essential to support sustainable growth and capitalize on future opportunities. The Entity remains committed to transparent communication and will fully explain these reasons and address shareholder concerns during the upcoming Annual General Assembly.

Role of the Directors

The Directors are the Entity's principal decision-making forum. The Directors have the overall responsibility for leading and supervising the Entity for delivering sustainable shareholder value through their guidance and supervision of the Entity's business. The Directors set the strategies and policies of the Entity. They monitor performance of the Entity's business, guide and supervise its management.

Going concern

The attached financial statements have been prepared on a going concern basis. While preparing the financial statements, the management has made an assessment of the Entity’s ability to continue as a going concern. The management has not come across any evidence that causes it to believe that material uncertainties related to the events or conditions existed, which may cast significant doubt on the Entity’s ability to continue as a going concern.

Events after year end

In the opinion of the Directors, no transaction or event of a material and unusual nature, favourable or unfavourable has arisen in the interval between the end of the financial year and the date of this report, that is likely to affect, substantially the result of the operations or the financial position of the Entity.

Reclassification of investments

The Entity holds a 27.75% ownership in RAK AMI Hotel FZ-LLC and, until the previous year, this investment has been classified as an investment in an associate, in accordance with IAS 28. Further, from the beginning of the year, the Entity has met the criteria for being an investment Entity, had elected to measure its investments at fair value through profit or loss (FVTPL) as per IFRS 9.

Projections and Risk

The Entity is continuously monitoring its liquid funds and investments in equity and fixed income securities to maximize the yield. The Entity is exposed to and affected by the fluctuation in the financial market it operates. However, the Entity has various in-house systems to evaluate these risks and accordingly take steps to mitigate the effect of such risks.

Statement of Directors' responsibilities

The applicable requirements require the Directors to prepare the financial statements for each financial year which present fairly in all material respects, the financial position of the Entity and its financial performance for the year then ended.

The audited financial statements for the year under review have been prepared in conformity and in compliance with the relevant statutory requirements and other governing laws. The Directors confirm that sufficient care has been taken for the maintenance of proper and adequate accounting records that disclose with reasonable accuracy at any time, the financial position of the Entity and enables them to ensure that the financial statements comply with the requirements of the applicable statute. The Directors also confirm that appropriate accounting policies have been selected and applied consistently in order for the financial statements to reflect fairly, the form and substance of the transactions carried out during the year under review and reasonably present the Entity's financial conditions and results of its operations.

The financial statements set out on pages 8 to 48, which have been prepared on the going concern basis were approved by the Directors on the date of these financial statements and signed on behalf of the Entity by:

Shaikh Mohamed Humaid Abdulla Mohamed Alqasimi	**Raman Garg Mahabir Saran Garg**
Chairman	General Manager

13 March 2025

Crowe Mak
كــرو مــاك

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Business Bay, Sheikh Zayed Road
P O Box 6747, Dubai, UAE

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Independent auditor's report

Ref: BN/A2588/March 2025

To,
The Shareholders
RAPCO Investment P.J.S.C
P.O. Box: 30019
Ras Al Khaimah, United Arab Emirates

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of RAPCO Investment P.J.S.C (the "Entity"), Ras Al Khaimah, United Arab Emirates, which comprise the statement of financial position as at 31 December 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code), as applicable to audits of financial statements of public interest entities, together with ethical requirements that are relevant to audits of the financial statements of public interest entities in the United Arab Emirates. We have also 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 judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1) Valuation of the investment properties

We identified the valuation of investment properties as a key audit matter due to the significance of the Entity's investment properties in the context of the Entity's financial statements as a whole and due to significant judgement involved in determining the inputs used in the valuation.

As at 31 December, 2024, the Entity's investment properties amounting to AED 59,416,800 which represented 14% of the Entity's total assets and a loss on revaluation of investment properties amounting to AED 23,331,200 was recognised in the statement of profit or loss for the year then ended.

The Entity's investment properties are stated at fair value based on valuations carried out by an independent qualified valuer (the "Valuer"). The valuation was dependent on certain key estimates which requires significant judgement, including yield rates, contractual lease rents and forecasted operating expenses, which are influenced by prevailing market forces and specific characteristics such as property location and income returns of each property in the portfolio. Details of the valuation methodologies and key inputs used in the valuations are disclosed in note 6 to the financial statements.

Independent auditor's report (continued)

To the Shareholders of RAPCO Investment P.J.S.C
Report on the Audit of Financial Statements (continued)

How our audit addressed the key audit matters

We have performed the following procedures in relation to the valuation of investment properties:

- We assessed the competence, capabilities and objectivity of the valuer;
- We reviewed the terms of engagement between the valuer and the Entity to determine whether the scope of the work is adequate and there were any matters that might have affected their objectivity or may have imposed scope limitations upon their work;
- We agreed the total valuation in reports of the valuer to the amount reported in the statement of financial position;
- We assessed the completeness and consistency of information provided by the Entity to the valuer; and evaluated the reasonableness of the key inputs used in the valuation on a sample basis;
- We assessed the appropriateness and reasonableness of the valuation methodologies, key assumptions and estimates used in the valuation on a sample basis;
- We reviewed the appropriateness of disclosures in the financial statements with respect to valuation of investment properties;
- We reperformed the arithmetical accuracy of the determination of net fair value loss during the year;
- We reviewed a sample of investment properties valued by external valuers and assessed whether the valuation of the properties was performed in accordance with the requirements of IFRS 13 Fair Value Measurement; and
- Also, we assessed the disclosures made in relation to this matter to determine if they were in accordance with the requirements of IFRSs.

2) Reclassification of invesmtents

The Entity had investment in an associate, which were measured using the equity method. However, after meeting the criteria of an investment Entity and upon transformation of Management during last year, the Entity elected to measure these investments at fair value through profit or loss in accordance with IFRS 9 from the beginning of the year. Consequently, through an independent valuer appointed by the management, a fair valuation of this investment was done and recognized these at fair value measured in accordance with IFRS 9. Given the significance of the balances and the assumptions involved in their valuation and presentation, this is considered a key audit matter.

How our audit addressed the key audit matters

We have performed the following procedures in relation to the valuation of investments:

- We assessed the competence, capabilities, and objectivity of the independent valuer appointed by management to perform the fair valuation of the investments;
- We evaluated the Entity's compliance with the definition of an investment Entity by reviewing the Entity's business activities, governance structure, and investment objectives;
- We examined the valuation methodologies and key assumptions used by the external valuer; and
- We inquired with the management regarding the rationale for electing to measure the investments at fair value through profit or loss as per IFRS 9.

Other Information

Management is responsible for the other information. The other information comprises the Directors' report but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Independent auditor's report (continued)

To the Shareholders of RAPCO Investment P.J.S.C
Report on the Audit of Financial Statements (continued)

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and their preparation in compliance with the applicable provisions of the U.A.E. Federal Law No. 32 of 2021, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the 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 Entity'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 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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Independent auditor's report (continued)

To the Shareholders of RAPCO Investment P.J.S.C
Report on the Audit of Financial Statements (continued)

during our audit.

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

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

Report on Other Legal and Regulatory Requirements

Further, as required by the U.A.E. Federal Law No. 32 of 2021, we report that:

(a) We have obtained all the information we considered necessary for the purpose of our audit;

(b) The financial statements have been prepared and comply, in all material aspects, with the applicable provisions of the U.A.E. Federal Law No. 32 of 2021, and the Memorandum and Articles of Association of the Entity;

(c) The Entity maintained proper books of account;

(d) The contents of the Directors' report which relates to the financial statements are in agreement with the Entity's books of account;

(e) Note 11 to the financial statements reflects the disclosures relating to material related party transactions and the terms under which they were conducted;

(f) As disclosed in notes 12 and 14 to the financial statements, the Entity has purchased or invested in shares during the year ended December 31, 2024; and

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

Crowe Mak

Basil Naser
Partner
Registered Auditor Number: 5507
Dubai, United Arab Emirates
13 March 2025

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P.O.Box : 6747
DUBAI - UAE
CROWE MAK

RAPCO Investment P.J.S.C

Ras Al Khaimah - United Arab Emirates
Statement of financial position as at 31 December 2024

	Notes	2024 AED	2023 AED
ASSETS			
Non-current assets			
Property, plant and equipment	5	**7,347**	9,505
Investment properties	6	**59,416,800**	83,333,000
Investments in associates	7	**-**	72,014,317
Financial assets at fair value through other comprehensive income (FVTOCI)	12	**156,226,192**	160,378,569
Financial assets at amortised cost	13	**67,064,030**	25,113,785
Deferred tax asset	30	**1,624,151**	-
Total non-current assets		**284,338,520**	340,849,176
Current assets			
Trade receivables	9	**451,989**	1,048,220
Advances, deposits and other receivables	10	**5,253,431**	360,942
Due from a related party	11	**103,798**	-
Investments at fair value through profit or loss (FVTPL)	14	**130,190,021**	11,009,492
Fixed deposits	15	**-**	1,000,000
Cash and cash equivalents	16	**2,242,865**	9,710,758
Total current assets		**138,242,104**	23,129,412
Total assets		**422,580,624**	363,978,588
EQUITY AND LIABILITIES			
Equity and shareholders' funds			
Share capital	17	**95,040,000**	95,040,000
Statutory reserve	19	**44,892,921**	41,712,319
Special reserve		**80,000,000**	80,000,000
Retained earnings		**96,193,016**	62,524,645
Fair value reserve for financial assets at FVTOCI	20	**73,564,909**	76,202,049
Total equity		**389,690,846**	355,479,013
LIABILITIES			
Non-current liabilities			
Employees' end-of-service benefits	22	**344,240**	426,630
Bank borrowings	23	**30,000,000**	-
Total non-current liabilities		**30,344,240**	426,630
Current liabilities			
Due to related parties	11	**230,663**	-
Trade and other payables	24	**2,314,875**	8,072,945
Total current liabilities		**2,545,538**	8,072,945
Total liabilities		**32,889,778**	8,499,575
Total equity and liabilities		**422,580,624**	363,978,588

These financial statements were approved and authorised for issue on 13 March 2025.

The financial statements set out on pages 8 to 48, which have been prepared on the going concern basis were approved by the Directors on the date of these financial statements and signed on behalf of the Entity by:

Shaikh Mohamed Humaid Abdulla Mohamed Alqasimi
Chairman

Raman Garg Mahabir Saran Garg
General Manager

The accompanying notes and policies form an integral part of these financial statements.

The report of the auditor is set out on pages 4 to 7.

Ras Al Khaimah - United Arab Emirates
Statement of profit or loss and other comprehensive income for the year ended 31 December 2024

	Notes	2024 AED	2023 AED
Investment income	25	**12,284,631**	11,496,150
Gain on sale of investments in associates		**1,423,252**	-
(Loss) / gain on changes in fair value of investment properties	6	**(23,331,200)**	13,000
Gain on sale of investment properties		**126,190**	1,409,273
Gain on sale of investments at FVTPL		**1,730,572**	967,637
Unrealised gain / (loss) on investments at FVTPL	14	**42,031,974**	(790,290)
Other income	26	**1,194,354**	5,940,187
General and administrative expenses	27	**(4,106,007)**	(2,283,032)
Finance cost	28	**(353,206)**	(47,106)
Share of (loss) / profit of associates - net	7	**(865,081)**	201,007
Profit before corporate tax		**30,135,479**	16,906,826
Deferred tax credit	30	**1,670,542**	-
Net profit for the year		**31,806,021**	16,906,826
Other comprehensive income, net of tax			
Items that will not be reclassified subsequently to profit or loss:			
Increase / (decrease) in fair value of financial assets at FVTOCI		**20,552**	(12,853,716)
Net gain on sale of investments carried at FVTOCI		**3,331,651**	-
Deferred tax expense	30	**(46,391)**	-
Other comprehensive income/(loss) for the year		**3,305,812**	(12,853,716)
Total comprehensive income for the year		**35,111,833**	4,053,110
Total comprehensive income for the year attributable to the Owners of the Entity arises from:			
Basic and diluted earnings per share		**0.334**	0.177

The accompanying notes and policies form an integral part of these financial statements.

The report of the auditor is set out on pages 4 to 7.

RAPCO Investment P.J.S.C

Ras Al Khaimah - United Arab Emirates
Statement of changes in equity for the year ended 31 December 2024

	Share capital AED	Statutory reserve AED	Special reserve AED	Voluntary reserve AED	Retained earnings AED	Fair value reserve for financial assets at FVTOCI AED	Total AED
As at 1 January 2023	95,040,000	40,021,637	80,000,000	19,547,271	25,860,041	91,256,954	351,725,903
Profit for the year	-	-	-	-	16,906,826	-	16,906,826
Other comprehensive (loss) for the year	-	-	-	-	-	(12,853,716)	(12,853,716)
Total comprehensive income for the year	-	-	-	-	16,906,826	(12,853,716)	4,053,110
Transfers during the year	-	-	-	(19,547,271)	19,547,271	-	-
Transfer to statutory reserve	-	1,690,682	-	-	(1,690,682)	-	-
Transfer on sale of investments at FVTOCI	-	-	-	-	2,201,189	(2,201,189)	-
Board of Directors' remuneration	-	-	-	-	(300,000)	-	(300,000)
As at 31 December 2023	**95,040,000**	**41,712,319**	**80,000,000**	**-**	**62,524,645**	**76,202,049**	**355,479,013**
Profit for the year	-	-	-	-	31,806,021	-	31,806,021
Other comprehensive income for the year	-	-	-	-	-	3,305,812	3,305,812
Total comprehensive income for the year	-	-	-	-	31,806,021	3,305,812	35,111,833
Transfer to statutory reserve	-	3,180,602	-	-	(3,180,602)	-	-
Transfer on sale of investments at FVTOCI	-	-	-	-	5,942,952	(5,942,952)	-
Board of Directors' remuneration	-	-	-	-	(900,000)	-	(900,000)
As at 31 December 2024	**95,040,000**	**44,892,921**	**80,000,000**	**-**	**96,193,016**	**73,564,909**	**389,690,846**

The accompanying notes and policies form an integral part of these financial statements.

The report of the auditor is set out on pages 4 to 7.

RAPCO Investment P.J.S.C

Ras Al Khaimah - United Arab Emirates
Statement of cash flows for the year ended 31 December 2024

	Notes	2024 AED	2023 AED
Cash flows from operating activities			
Profit for the year before tax		**30,135,479**	16,906,826
Adjustments for:			
Depreciation of property, plant and equipment	5	**6,648**	99,213
Gain on sale of investment properties	6	**-**	(1,409,273)
Fair value loss / (gain) from investment properties	6	**23,331,200**	(13,000)
Share of loss / (profit) of associates - net	7	**865,081**	(201,007)
Gain on sale of investments in associates	7	**(1,423,252)**	-
Unrealised (gain) / loss on revaluation of investments at FVTPL	14	**(42,031,974)**	790,290
Realised gain on disposal of investments at FVTPL	14	**(1,730,572)**	(967,637)
Employees' end-of-service benefits	22	**54,394**	34,587
Dividend income	25	**(8,533,902)**	(8,032,653)
Interest income	25	**(2,046,652)**	(1,826,416)
Gain on maturity of investments at amortized cost	25	**(222,702)**	-
Gain on disposal of property, plant and equipment	26	**-**	(5,804,302)
Allowance for doubtful debts	27	**382,861**	-
Finance cost	28	**353,206**	47,106
Operating cash flows before changes in operating assets and liabilities		**(860,185)**	(376,266)
Decrease in inventories	8	**-**	8,807
Decrease in trade receivables	9	**213,370**	1,187,679
(Increase) / decrease in advances, deposits and other receivables	10	**(4,892,489)**	1,198
Increase in due to related parties	11	**230,663**	-
(Increase) / decrease in due from a related party	11	**(103,798)**	526,363
Decrease in trade and other payables	24	**(5,758,069)**	(17,352,886)
Cash used in operating activities		**(11,170,508)**	(16,005,105)
Employees' end-of-service indemnity paid	22	**(136,784)**	(47,890)
Finance costs paid	28	**(353,206)**	(47,106)
Net cash used in operating activities		**(11,660,498)**	(16,100,101)
Cash flows from investing activities			
Purchase of property, plant and equipment	5	**(4,490)**	-
Proceeds from sale of property, plant and equipment	5	**-**	6,327,722
Proceeds from sale of investment properties	6	**585,000**	5,459,273
Proceeds of sale of investments in associates	7	**6,760,760**	-
Purchase of financial assets at FVTOCI	12	**(3,002,568)**	-
Proceeds from sale of investments carried at FVTOCI	12	**10,507,148**	7,975,103
Purchase of financial assets at amortised cost	13	**(44,258,558)**	(5,785,572)
Proceeds from maturity of financial assets at amortised cost	13	**3,145,282**	-
Proceeds from disposal of financial assets at amortised cost	13	**-**	7,267,695
Purchase of investments at FVTPL	14	**(34,643,863)**	(18,841,195)
Proceeds from disposal of investments at FVTPL	14	**25,037,607**	8,009,050
Proceeds from / (investments in) fixed deposits	15	**1,000,000**	1,000,000
Interest received	25	**1,432,385**	1,894,478
Dividends received	25	**8,533,902**	8,032,653
Net cash (used in) / generated from investing activities		**(24,907,395)**	21,339,207
Cash flows from financing activities			
Proceeds from bank borrowings	23	**30,000,000**	-
Board of Directors' remuneration		**(900,000)**	(300,000)
Net cash generated from / (used in) financing activities		**29,100,000**	(300,000)
Net (decrease)/increase in cash and cash equivalents		**(7,467,893)**	4,939,106
Cash and cash equivalents at the beginning of the year		**9,710,758**	4,771,652
Cash and cash equivalents at the end of the year	16	**2,242,865**	9,710,758

The accompanying notes and policies form an integral part of these financial statements.
The report of the auditor is set out on pages 4 to 7.

1 General information

RAPCO Investment P.J.S.C (the "Entity") is public shareholding company, facilitated under Emiri decree No. 76/8 of 1976 issued by His Highness, The Ruler of Ras Al Khaimah. The Entity was incorporated on March 11, 1978 and operates under the commercial license no. 302 issued by Department of Economic Development of Government of Ras Al Khaimah. The shares of the Entity are traded on the Abu Dhabi Securities Exchange.

The address of the registered office of the Entity is Al jazirah Alhamra, P.O. Box: 184, Ras Al Khaimah, United Arab Emirates.

The principal activities of the Entity consist of commercial enterprises investment, institution and management, real estate enterprises investment, development, institution and management, and agricultural enterprises investment, institution and management.

The management is vested with Mr. Raman Garg Mahabir Saran Garg, General Manager, Indian national, under the supervision of the Board of Directors of the Entity.

These financial statements incorporate the operating results of the commercial license no. 302.

2 Application of new and revised Standards

2.1 New and amended Standards that are effective for the current year

In the current year, the Entity has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

New and revised Standards	***Effective for annual periods beginning on or after***
Amendments to IAS 7 and IFRS 7 Supplier Finance Arrangements	1 January 2024
Amendments to IFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to IAS 1 Classification of Liabilities as Current or Non-current	1 January 2024
IFRS Sustainability Disclosure Standards	1 January 2024

Management has adopted the new and amended IFRS standards in the current period and believes that these standards do not have material impact on these financial statements unless mentioned above.

2.2 New and revised Standards in issue but not yet effective

The Entity has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

New and revised Standards	***Effective for annual periods beginning on or after***
Amendments to IFRS 10 and IAS 28 – Sale or Contribution of assets between an Investor and its Associate or Joint Venture:	No effective date set
Amendments to IAS 21 Lack of exchangeability	1 January 2025
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027

Management anticipates that these standards will not have any significant impact on these financial statements.

3 Material accounting policy information

3.1 Statement of compliance

The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

3.2 Basis of preparation

These financial statements have been prepared on the historical cost basis except for investment properties, investments at fair value through profit or loss and investments at fair value through other comprehensive income that are measured at fair values.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Current/Non-current classification

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

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

All other assets are classified as non-current.

A liability is current when it is expected to be settled in normal operating cycle or it is held primarily for the purpose of trading or it is due to be settled within twelve months after the reporting year, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting year.

The Entity classifies all other liabilities as non-current.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Entity takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

3.3 Functional currency

These financial statements are presented in Emirati Dirham, which is the Entity’s functional currency.

3 Material accounting policy information (continued)

3.4 Investments in associates

An associate is an Entity over which the Entity has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for, in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

Under the equity method, an investment in an associate is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise the Entity's share of the profit or loss and other comprehensive income of the associate. When the Entity's share of losses of an associate exceeds the Entity's interest in that associate (which includes any long-term interests that, in substance, form part of the Entity's net investment in the associate), the Entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Entity has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of the investments over the Entity's share of the net fair value of the identifiable assets and liabilities of an associate recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Entity's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognised immediately in the statement of profit or loss in the period in which investment is acquired.

When the Entity transacts with its associate, profits or losses resulting from the transactions with the associate are recognised in the Entity's financial statements only to the extent of interests in the associate that are not related to the Entity.

3.5 Revenue recognition

Dividend income

Dividend income from investments is recognised when the right to receive payment has been established.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Entity and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Rental income

Rental income from investment properties represents the amounts charged to the tenants aginst the rental of the Entity's investment properties and are recognised in the statement of profit or loss on a straight-line basis over the term of the lease.

The Group as lessor

Amounts due from lessees under leases are recognised as receivables at the amount of the Entity's net investment in the leases. Lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Entity's net investment outstanding in respect of the leases.

Rental income from leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging a lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

3.6 Foreign currencies

In preparing the financial statements of the Entity, transactions in currencies other than the Entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

3 Material accounting policy information (continued)

3.6 Foreign currencies (continued)

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

3.7 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.8 Employee benefits

End of service indemnity

Provision is made for the full amount of end of service indemnity due to non-U.A.E. national employees in accordance with the applicable Labour Law and is based on current remuneration and their period of service at the end of the reporting year.

3.9 Property, plant and equipment

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

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

The following useful lives are used in the calculation of depreciation:

	Useful lives
Buildings	5 - 20 years
Plant and machinery	5 - 10 years
Furniture and fixtures	4 - 5 years
Office equipment	5 years
Motor vehicles	4 years

3.10 Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and impairment losses. Freehold land is not depreciated. All of the Entity's property interests held under operating leases to earn rentals or for capital appreciation purposes are accounted for as investment properties and are measured using the fair value model. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

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

3 Material accounting policy information (continued)

3.11 Impairment of tangible assets

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

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 for which the estimates of future cash flows have not been adjusted.

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

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

3.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. (Discontinued with effect from August 2022).

3.13 Provisions

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

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

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

3.14 Financial instruments

Financial assets and financial liabilities are recognised when the Entity becomes a party to the contractual provisions of the instruments.

3.15 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

3 Material accounting policy information (continued)

3.15 Financial assets (continued)

Classification of financial assets

Financial instruments that meet the following conditions are measured subsequently at amortised cost:

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

Financial instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

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

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Entity may make the following irrevocable election / designation at initial recognition of a financial asset:

• the Entity may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and

• the Entity may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Impairment of financial assets

The Entity recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, amounts due from customers under construction contracts, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Entity always recognises lifetime ECL for trade receivables, amounts due from customers under construction contracts (contract assets) and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Entity's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions 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.

For all other financial instruments, the Entity recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Entity measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Financial assets were classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets were recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

3 Material accounting policy information (continued)

3.15 Financial assets (continued)

Receivables

Receivables were non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables (including trade and other receivables), bank balances and cash and others were measured at amortised cost using the effective interest method, less any impairment.

Interest income was recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

Due from a related party

Amounts due from a related party are stated at amortised cost.

Derecognition of financial assets

The Entity derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Entity neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Entity recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Entity retains substantially all the risks and rewards of ownership of a transferred financial asset, the Entity continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity was recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Entity retains an option to repurchase part of a transferred asset), the Entity allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that was no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income was allocated between the part that continues to be recognised and the part that was no longer recognised on the basis of the relative fair values of those parts.

3.16 Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Entity, are measured in accordance with the specific accounting policies set out below.

Due to a related party

Amounts due to a related party are stated at amortised cost.

3 Material accounting policy information (continued)

3.16 Financial liabilities and equity instruments (continued)

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

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

Derecognition of financial liabilities

The Entity derecognises financial liabilities when, and only when, the Entity's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Entity exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Entity accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification should be recognised in profit or loss as the modification gain or loss within other gains and losses.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position, when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

3.17 Corporate Tax

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from ‘profit before tax as reported in the statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Entity's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Current tax is recognised in profit or loss.

Deferred tax

Deferred tax is accounted for using the asset and liability method. Deferred tax assets and liabilities are recognised for the full tax consequences of all temporary differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Recognition of deferred tax assets are, however, restricted to the extent that it is probable that sufficient taxable profits will be available against which the deductible temporary differences can be utilised.

Deferred tax assets and liabilities are measured using tax rates that are expected to apply to the period in which the asset is expected to be realised or the liability is expected to be settled. As per the Entity's assessment, there is deferred tax asset on account of the CT Law in the financial statements for the year ended 31 December 2024.

4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, which are described in note 3 to these financial statements, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The significant judgements and estimates made by management that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below:

4.1 Critical judgements in applying accounting policies

Judgements in determining the timing of satisfaction of performance obligations

In making their judgement, the Directors consider the detailed criteria for the recognition of revenue set out in IFRS 15, and in particular, whether the Group has satisfied the performance obligation by rendering the services to the customers. The management is satisfied that the recognition of revenue in the current year is appropriate.

Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test (please see financial assets sections of note 3.15). The Entity determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Entity monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Entity's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

Classification of properties

In the process of classifying properties, management has made various judgements. Judgements are needed to determine whether a property qualifies as an investment property, plant and equipment, property under development and/or property held for sale. Management develops criteria so that it can exercise that judgement consistently in accordance with the definitions of investment property, property, plant and equipment, property under development and property held for sale. In making its judgement, management has considered the detailed criteria and related guidance set out in IAS 2 - Inventories, IAS 16 - Property, plant and equipment, and IAS 40 - Investment Property, with regards to the intended use of the property.

4.2 Key sources of estimation uncertainty

Useful lives of property, plant and equipment

Property, plant and equipment is depreciated over its estimated useful life, which is based on expected usage of the asset and expected physical wear and tear which depends on operational factors. The management has not considered any residual value as it is deemed immaterial.

Valuation of unquoted investments

Valuation of unquoted equity investments is normally based on one of the following:

· Current fair value of another instrument that is substantially the same;

· The expected cash flows discounted at current rates applicable for items with similar terms and risk characteristics; or

· Other valuation models.

4 Critical accounting judgements and key sources of estimation uncertainty (continued)

4.2 Key sources of estimation uncertainty (continued)

Valuation of unquoted investments (continued)

The determination of the cash flows and discount factors for unquoted equity investments requires significant estimations. The Entity calibrates the valuation techniques periodically and tests them for validity using either prices from observable current market transactions in the same instrument or from other available observable market data.

Fair value measurement of financial instruments

For the purpose of fair value disclosures, the Entity 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. The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Entity uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

The Entity has an established control framework with respect to the measurement of fair values. This includes a management team that has overall responsibility for overseeing all significant fair value measurements.

Fair value of investment properties

The best evidence of fair value is current prices in an active market for similar properties. In the absence of such information, the Entity determines the amount within a range of reasonable fair value estimates. In making its judgement, the Entity considered recent prices of similar properties in the same location and similar conditions, with judgements to reflect any changes in the nature, location or economic conditions since the date of the transactions that occurred at those prices. Such estimation is based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results.

The determination of the fair value of the revenue-generating properties requires the use of estimates such as future cash flows from assets (such as leasing, tenants' profiles, future revenue streams, capital values of fixtures and fittings, and the overall repair and condition of the property) and discount rates applicable to those assets. These estimates are based on local market conditions existing at the end of the reporting period.

Calculation of loss allowance

When measuring ECL the Entity uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Reclassification of investments

The Entity holds a 27.75% ownership in RAK AMI Hotel FZ-LLC and, until the previous year, this investment has been classified as an investment in an associate, in accordance with IAS 28. Further, from the beginning of the year, the Entity has met the criteria for being an investment Entity, had elected to measure its investments at fair value through profit or loss (FVTPL) as per IFRS 9.

5 Property, plant and equipment

	Buildings	Plant and machinery	Furniture and fixtures	Motor vehicles	Office equipment	Total
	AED	AED	AED	AED	AED	AED
Cost						
As at 1 January 2023	9,071,848	15,452,257	1,308,451	3,404,305	-	29,236,861
Disposals	(7,207,197)	(15,422,458)	-	(3,054,005)	-	(25,683,660)
Reclassification	-	(29,799)	-	-	29,799	-
As at 31 December 2023	1,864,651	-	1,308,451	350,300	29,799	3,553,201
Additions	-	-	-	-	4,490	4,490
As at 31 December 2024	**1,864,651**	**-**	**1,308,451**	**350,300**	**34,289**	**3,557,691**
Accumulated impairment						
As at 1 January 2023	8,473,023	15,418,944	1,308,451	3,404,305	-	28,604,723
Depreciation expense	85,547	7,701	-	-	5,965	99,213
Disposals	(6,693,919)	(15,412,316)	-	(3,054,005)	-	(25,160,240)
Reclassification	-	(14,329)	-	-	14,329	-
As at 31 December 2023	1,864,651	-	1,308,451	350,300	20,294	3,543,696
Depreciation expense	-	-	-	-	6,648	6,648
As at 31 December 2024	**1,864,651**	**-**	**1,308,451**	**350,300**	**26,942**	**3,550,344**
Carrying amount						
As at 31 December 2023	-	-	-	-	9,505	9,505
As at 31 December 2024	**-**	**-**	**-**	**-**	**7,347**	**7,347**

5 Property, plant and equipment (continued)

The depreciation charge has been allocated in the statement of profit or loss and other comprehensive income as follows:

	2024	2023
	AED	AED
General and administrative expenses (Note 27)	**6,648**	99,213
	6,648	99,213

6 Investment properties

	2024	2023
	AED	AED
Fair value		
Plot of land	**35,101,800**	52,217,500
Buildings	**24,315,000**	31,115,500
	59,416,800	83,333,000

	2024	2023
	AED	AED
Balance at the beginning of the year	**83,333,000**	87,370,000
Sold during the year	**(585,000)**	(4,050,000)
(Loss) / gain on revaluation	**(23,331,200)**	13,000
Balance at the end of the year	**59,416,800**	83,333,000

Investment properties comprise of fair value of plots of land and buildings located in the United Arab Emirates.

The fair value of the investment properties as at 31 December 2024 has been arrived at on the basis of valuations carried out as at that date by an independent valuer who is not related to the Entity and has appropriate qualifications and relevant market experience in the valuation of properties in the United Arab Emirates.

The fair value was determined using a combination of valuation approaches. For the vacant plots of land, the sales comparison approach and the cost approach of valuation was adopted. The sales comparison approach reflects recent transactions and comparable prices for similar properties. The cost refers to the costs of construction and professional fees which is added to market value of land as if vacant. For the buildings, direct comparison approach and income capitalization approach were adopted. The direct comparison approach involves making adjustments to the sale price of comparable properties to account differences in location, plot area and shape, potential built-up area allowance height allowance, date of sale, potential views and other individual characteristics. The capitalized income stream therefore refers it the net passing rent under the existing occupational leases are present within the subject premises, for the duration applicable to each respective tenancy.

6 Investment properties (continued)

The valuation of buildings using the direct compararison approach involves the following significant unobservable input:

(a) Capitalisation rate, taking into account the capitalisation of rental income potential, age and location of the property, and prevailing market condition, of 7% - 10% (2023: 7% - 10%).

(b) Annual market rents, taking into account the differences in location, and individual factors, such as frontage and size, between the comparables and the properties.

As at 31 December 2024 the Entity's investment properties are classified as level 3 in the fair value hierarchy.

	Level 1	Level 2	Level 3	Total
	AED	AED	AED	AED
Recurring fair value measurement				
31 December 2024	**-**	**-**	**59,416,800**	**59,416,800**
31 December 2023	-	-	83,333,000	83,333,000

7 Investments in associates

Equity method

Name of associates	Principal activities	Country of incorporation	Ownership interest		Carrying amount of investment	
			2024	2023	**2024**	2023
					AED	AED
Ras Al Khaimah Packaging Ltd Co LLC	Manufacturing of carton boxes and containers wholesale of paper trading.	United Arab Emirates	**-%**	50.00%	**-**	6,202,590
RAK AMI Hotel FZ-LLC	Real estate development construction.	United Arab Emirates	**-%**	27.75%	**-**	65,811,727
					-	72,014,317

7 Investments in associates (continued)

On 10 July 2024, the Entity sold off its 50% equity interest in Ras Al Khaimah Packaging Ltd Co LLC through a sales transaction. The carrying value of the investment in the associate at the disposal date was AED 5,337,508 and the share of loss amounts to AED 831,357.

During the year, the Entity reclassified its investment in RAK AMI Hotel FZ-LLC previously accounted for as an investment in an associate under IAS 28, to an investment at Fair Value Through Profit or Loss (FVTPL), in accordance with IFRS 9. Consequently, the investments amounting to AED 65,811,727 is now classified as a financial asset measured at fair value through profit or loss of AED 108,230,000, with subsequent fair value change for the year of AED 42,418,273 recognized in profit or loss.

	2024	2023
	AED	AED
Ras Al Khaimah Packaging Ltd Co LLC		
Balance at the beginning of the year	**6,202,590**	6,187,705
Share of net (loss) / profit in associates	**(831,357)**	14,885
Other movements	**(33,725)**	-
Disposal during the year	**(5,337,508)**	-
Balance at the end of the year	**-**	6,202,590

	2024	2023
	AED	AED
RAK AMI Hotel FZ-LLC		
Balance at the beginning of the year	**65,811,727**	65,625,605
Share of net profit / (loss) in associates	**-**	(1,620,822)
Other movements	**-**	1,806,944
Reclassified during the year (Note 14)	**(65,811,727)**	-
Balance at the end of the year	**-**	65,811,727

8 Inventories

Movement in allowance for slow moving and obsolete inventories

	2024	2023
	AED	AED
Balance at the beginning of the year	**-**	3,616,450
Charge during the year	**-**	8,807
Written off during the year	**-**	(3,625,257)
Balance at the end of the year	**-**	-

9 Trade receivables

	2024	2023
	AED	AED
Trade receivables	**876,124**	1,637,440
Less : Allowance for expected credit losses	**(424,135)**	(589,220)
	451,989	1,048,220

Of the trade receivables as at 31 December 2024 there are 6 customers (2023: 6 customers) which represent 76% (2023: 64%) of the total receivables.

Included in the above are trade receivables amounting to AED 838,685 which are under litigation for the recovery of these balances. The management has provided an allowance amounting to AED 424,135 against these receivables as at 31 December 2024. Management believes, as the ultimate outcome of the matter cannot presently be determined, no further provision for expected credit loss for remaining receivables nor for any liability that may result from the case, should be recorded in these financial statements.

Geographical details of trade receivables

	2024	2023
	AED	AED
Primary Geographical Markets		
Within U.A.E.	**876,124**	1,637,440

The average credit period is 60-90 days. No interest is charged on outstanding trade receivables.

In determining the recoverability of trade receivables, the Entity considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. Accordingly, the management believes that there is no further credit allowance required for allowance for expected credit losses.

Trade receivables – ageing analysis

31 December 2024	**1 - 30 days**	**31 - 60 days**	**More than 61 days**	**Total**
	AED	**AED**	**AED**	**AED**
Expected credit loss rate	**-%**	**-%**	**49.75%**	
Estimated total gross carrying amount at default	**10,570**	**12,958**	**852,596**	**876,124**
Lifetime ECL	**-**	**-**	**424,135**	**424,135**
				451,989

9 Trade receivables (continued)

Trade receivables – ageing analysis

31 December 2023	1 - 30 days	31 - 60 days	More than 61 days	Total
	AED	AED	AED	AED
Expected credit loss rate	-%	-%	36.23%	
Estimated total gross carrying amount at default	9,637	1,475	1,626,328	1,637,440
Lifetime ECL	-	-	589,220	589,220
				1,048,220

10 Advances, deposits and other receivables

	2024	2023
	AED	AED
Receivables from broker	**4,886,668**	-
Refundable deposits	**172,774**	235,774
Prepayments	**72,963**	36,850
VAT receivable - net	**19,398**	-
Staff loan and advances	**520**	2,677
Letter of guarantee	**-**	200,000
Other receivables	**273,882**	58,415
Less : Expected credit losses for refundable deposits	**(172,774)**	(172,774)
	5,253,431	360,942

11 Related party balances and transactions

The Entity enters into transactions with companies and entities that fall within the definition of a related party as contained in International Accounting Standard 24 Related Party Disclosures. Related parties comprise companies and entities under common ownership and/or common management and control, key management personnel and shareholders. The management decides on the terms and conditions of the transactions and services received/rendered from/to related parties as well as on other charges.

a) At the end of the reporting year, amounts due from related parties were as follows:

	2024	2023
	AED	AED
Due from a shareholder		
Al Hamra Real Estate Dev. LLC, U.A.E.	**103,798**	-

11 Related party balances and transactions (continued)

b) At the end of the reporting year, amounts due to related parties were as follows:

	2024	2023
	AED	AED
Due to shareholders		
Falcon Investments Company LLC, U.A.E.	**218,251**	-
Al Hamra Group LLC, U.A.E.	**12,412**	-
	230,663	-

c) Transactions

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

	2024	2023
	AED	AED
Recharge of expenses	**112,987**	-
Interest income	**-**	392,715

d) Compensation of key management personnel

The remuneration of Directors and other members of key management personnel during the year was as follows:

	2024	2023
	AED	AED
Board of Directors' remuneration	**900,000**	-
Technical committees' allowances	**235,000**	305,000
	1,135,000	305,000

12 Financial assets at fair value through other comprehensive income (FVTOCI)

	2024	2023
	AED	AED
Balance at the beginning of the year	**160,378,569**	181,207,388
Increase / (decrease) in fair value	**20,552**	(12,853,716)
Additions during the year	**3,002,568**	-
Disposals during the year	**(7,175,497)**	(7,975,103)
Balance at the end of the year	**156,226,192**	160,378,569

12 Financial assets at fair value through other comprehensive income (FVTOCI) (continued)

	2024	2023
	AED	AED
The category of investments in financial asset is as follows		
Quoted investments - fair value	**104,397,192**	102,776,569
Unquoted investments - fair value	**51,829,000**	57,602,000
	156,226,192	160,378,569
The geographical distribution of financial asset is as follows:		
In United Arab Emirates	**156,226,192**	160,378,569

During the year, the Entity recorded a dividend income of AED 7,783,848.

The cumulative changes in fair value of financial assets at FVTOCI aggregating to AED 73,564,909 as at December 31, 2024 (December 31, 2023: AED 76,202,049) are shown under equity.

13 Financial assets at amortised cost

The movement of financial assets at amortised cost are as follow:

	2024	2023
	AED	AED
Balance at the beginning of the year	**25,113,785**	26,663,970
Additions during the year	**44,258,558**	5,785,572
Matured during the year	**(2,922,580)**	-
Sold during the year	**-**	(7,267,695)
Interest receivable	**1,865,777**	1,793,027
Interest received during the year	**(1,251,510)**	(1,861,089)
	67,064,030	25,113,785

	2024	2023
	AED	AED
The geographical distribution of financial asset is as follows:		
In United Arab Emirates	**16,171,261**	17,814,050
In Gulf Cooperation Council (GCC)	**4,304,211**	-
In Other countries	**46,588,558**	7,299,735
	67,064,030	25,113,785

13 Financial assets at amortised cost (continued)

Sukuk name	Percentage %	Maturity date	Face value USD	Face value AED
Dubai Islamic Bank TIER 1 SUKUK 4 LTD	4.63%	Perpetual	3,000,000	11,019,000
Dar Al-Arkan Sukuk	6.88%	26-Feb-2027	825,000	3,030,225

Bond name	Percentage %	Maturity date	Face value USD	Face value AED
Adani Electricity bonds	3.87%	22-Jul-2031	1,340,000	4,921,820
Arab Republic of Egypt bonds	3.88%	16-Feb-2026	200,000	734,600
Arab Republic of Egypt bonds	6.59%	21-Feb-2028	200,000	734,600
Arab Republic of Egypt bonds	7.60%	1-Mar-2029	2,030,000	7,456,190
Arab Republic of Egypt bonds	5.88%	16-Feb-2031	1,528,000	5,612,344
Kingdom of Bahrain bonds	7.50%	20-Sep-2047	825,000	3,030,225
BNP Paribas bonds	5.13%	Perpetual	218,000	800,714
BNP Paribas bonds	4.50%	Perpetual	2,140,000	7,860,220
Deutsche Bank bonds	7.08%	10-Feb-2034	210,000	771,330
Kuwait Projects Co Spc bonds	4.23%	29-Oct-2026	216,000	793,368
Kuwait Projects Co Spc bonds	4.50%	23-Feb-2027	200,000	734,600
Lloyds Banking Group PLC bonds	8.00%	Perpetual	1,173,000	4,308,429
Mashreq Bank bonds	8.50%	Perpetual	1,025,000	3,764,825
Nordea Bank Abp bonds	3.75%	Perpetual	200,000	734,600
Societe Generale bonds	4.75%	Perpetual	1,774,000	6,515,902
Standard Chartered PLC bonds	7.88%	Perpetual	200,000	734,600
Standard Chartered PLC bonds	4.30%	Perpetual	1,402,000	5,149,546
Standard Chartered PLC bonds	7.75%	Perpetual	475,000	1,744,675

14 Investments at fair value through profit or loss (FVTPL)

	2024	2023
	AED	AED
Quoted shares	**21,960,021**	11,009,492
Unquoted shares	**108,230,000**	-
	130,190,021	11,009,492

14 Investments at fair value through profit or loss (FVTPL) (continued)

The movement in investments carried at FVTPL during the year are as follows:

	2024	2023
	AED	AED
Balance at the beginning of the year	**11,009,492**	-
Additions during the year	**34,643,863**	18,841,195
Disposals during the year	**(23,307,035)**	(7,041,413)
Change in fair value during the year	**42,031,974**	(790,290)
Transfer from investments in associates (Note 7)	**65,811,727**	-
	130,190,021	11,009,492
The geographical distribution of financial asset is as follows:		
In United Arab Emirates	**130,190,021**	11,009,492

During the year, the Entity reclassified its investment in RAK AMI Hotel FZ-LLC previously accounted for as an investment in an associate under IAS 28, to an investment at Fair Value Through Profit or Loss (FVTPL), in accordance with IFRS 9. Consequently, the investments amounting to AED 65,811,727 is now classified as a financial asset measured at fair value through profit or loss of AED 108,230,000, with subsequent fair value change for the year of AED 42,418,273 recognized in profit or loss.

15 Fixed deposits

	2024	2023
	AED	AED
Fixed deposits	**-**	1,000,000

Fixed deposits represents deposits held with financial institutions in the U.A.E. and denominated in AED. These deposits carry the interest rate 5.20%.

16 Cash and cash equivalents

	2024	2023
	AED	AED
Term deposits	**1,400,000**	6,000,000
Call deposits	**435,007**	1,723,547
Current accounts	**407,858**	1,987,211
	2,242,865	9,710,758

The bank balances are also subject to impairment requirements of IFRS 9, however, balances with banks are assessed to have low credit risk of default.

Term deposits represents deposits held with financial institutions in the U.A.E. and denominated in AED. These deposits carry the interest rate 4.350% (2023 : 4.75% - 5.20%).

17 Share capital

	2024	2023
	AED	AED
Authorised, issued and paid up share capital:		
95,040,000 shares of AED 1.00 each	**95,040,000**	95,040,000

18 Special reserve

	2024	2023
	AED	AED
Balance at the beginning of the year	**80,000,000**	80,000,000
Balance at the end of the year	**80,000,000**	80,000,000

19 Statutory reserve

	2024	2023
	AED	AED
Balance at the beginning of the year	**41,712,319**	40,021,637
Transfer from retained earnings	**3,180,602**	1,690,682
Balance at the end of the year	**44,892,921**	41,712,319

According to the Articles of Association of the Entity and U.A.E Federal Law No. 32 of 2021, 10% of annual net profits is allocated to the statutory reserve. The transfer to statutory reserve may be suspended, when the reserve reaches 50% of the paid-up capital. This reserve is not available for distribution.

20 Fair value reserve for financial assets at FVTOCI

	2024	2023
	AED	AED
Balance at the beginning of the year	**76,202,049**	91,256,954
Increase / (decrease) in fair value	**3,352,203**	(12,853,716)
Transfer on sale of investments at FVTOCI	**(5,942,952)**	(2,201,189)
Deferred tax expense	**(46,391)**	-
Balance at the end of the year	**73,564,909**	76,202,049

The geographical distribution of financial asset at FVTOCI is as follows:

In United Arab Emirates	**73,564,909**	76,202,049

21 Voluntary reserve

	2024	2023
	AED	AED
Balance at the beginning of the year	**-**	19,547,271
Transfer to retained earnings	**-**	(19,547,271)
Balance at the end of the year	**-**	-

At the general assembly meeting held on April 25, 2023, the shareholders approved the transfer of the voluntary reserve amounting to AED 19,547,271 to the retained earnings for distribution to the shareholders in the future, subject to relevant approvals.

22 Employees' end-of-service benefits

	2024	2023
	AED	AED
Balance at the beginning of the year	**426,630**	439,933
Charge for the year	**54,394**	34,587
Payments during the year	**(136,784)**	(47,890)
Balance at the end of the year	**344,240**	426,630

Amounts required to cover end of service indemnity at the statement of financial position date are computed pursuant to the applicable Labour Law based on the employees' accumulated period of service and current basic remuneration at the end of reporting year.

23 Bank borrowings

	2024	2023
	AED	AED
Overdraft	**30,000,000**	-

23 Bank borrowings (continued)

	2024	2023
	AED	AED
Due within 2-5 years	**30,000,000**	-

The terms of the repayment are bullet repayment or rollover on the maturity at the sole discretion of the Entity subject to the final maturity not exceeding 3 years. Accordingly, the full overdraft facility has been shown as non-current liability.

The Interest rate is 3 months EIBOR + 1.25% per annum.

Bank loans and borrowings have following covenants and securities:

Securities:

a) Share pledge confirmation from Abu Dhabi Securities Market / Dubai Financial Market.

b) Share pledge agreement and pledge request form duly signed by the owner of shares for Dubai Financial Market / Abu Dhabi Securities Market.

c) Registered pledge over the RAK Ceramics PJSC , ADNOC Gas PLC and The National Bank of Ras Al Khaimah shares listed on Abu Dhabi Securities Market / Dubai Financial Market.

Covenant:

a) To maintain Loan to value (LTV) shall be maintained @ 75% at all the times.

24 Trade and other payables

	2024	2023
	AED	AED
Trade payables	**410,654**	185,540
Accrued expenses	**1,521,376**	1,110,207
Advances received	**204,000**	6,303,000
Advances from customers	**178,845**	162,376
VAT payable-net	**-**	311,822
	2,314,875	8,072,945

25 Investment income

	2024	2023
	AED	AED
Dividend income	**8,533,902**	8,032,653
Interest income	**2,046,652**	1,826,416
Rental income from investment properties	**1,481,375**	1,637,081
Gain on maturity of investments at amortized cost	**222,702**	-
	12,284,631	11,496,150

26 Other income

	2024	2023
	AED	AED
Reversal of unclaimed creditors	**594,450**	-
Scrap sales	**552,380**	-
Gain from disposal of property, plant and equipment	**25,714**	5,804,302
Penalties	**13,450**	135,885
Other income	**8,360**	-
	1,194,354	5,940,187

27 General and administrative expenses

	2024	2023
	AED	AED
Salaries and related benefits	**1,157,407**	890,731
Technical committee allowance	**1,135,000**	305,000
Legal, license and professional	**867,525**	466,262
Allowance for expected credit losses	**382,861**	-
Repairs and maintenance	**128,284**	155,836
Utilities	**114,245**	127,812
Insurance	**35,370**	52,713
Depreciation on property, plant and equipment (Note 5)	**6,648**	99,213
Others	**278,667**	185,465
	4,106,007	2,283,032

28 Finance cost

	2024	2023
	AED	AED
Bank charges	**178,846**	47,106
Interest on borrowings	**174,360**	-
	353,206	47,106

29 Basic and diluted earnings per share (EPS)

	2024	2023
	AED	AED
Earnings attributable to equity Shareholders	**31,806,021**	16,906,826
Number of shares	**95,040,000**	95,040,000
Basic and diluted earnings per share	**0.334**	0.177

Earnings per share is calculated by dividing the earnings for the year by the number of shares outstanding at the end of the reporting period.

30 Income taxes relating to continuing operations

Income tax	2024
	AED
Reconciliation of tax	
Current income tax expense	-
Add: Deferred tax credit	(1,624,151)
Net deferred tax credit	**(1,624,151)**
Reconciliation of tax	
Accounting profit for the year	30,135,479
Less : Effect of standard exemption	-
Less : Income not subject to tax	(51,510,343)
Less : Income taxable on realisation basis	-
Add : Non deductible expenditure	2,813,300
Net taxable (loss)	**(18,561,564)**
Deferred tax asset / (liability)	
Deferred tax asset	(1,624,151)
	(1,624,151)
Amount recognised in the statement of profit or loss	
Deferred tax credit	(1,670,542)
Amount recognised in the statement of other comprehensive income	
Deferred tax expense	46,391

31 Financial instruments and risk management

Material accounting policy information

Details of material policies and methods adopted including the criteria for recognition for the basis of measurement in respect of each class of financial assets and financial liabilities are disclosed in Note 3 to the financial statements.

Categories of financial instruments

31 December 2024

	Financial assets	Financial liabilities
	Amortised cost	**Amortised cost**
	AED	**AED**
Trade receivables (Note 9)	451,989	-
Other receivables (Note 10)	5,160,550	-
Due from a related party (Note 11)	103,798	-
Financial asset at amortised cost (Note 13)	67,064,030	-
Cash and cash equivalents (Note 16)	2,242,865	-
Due to related parties (Note 11)	-	230,663
Bank borrowings (Note 23)	-	30,000,000
Trade and other payables (Note 24)	-	1,932,030
	75,023,232	**32,162,693**

31 December 2023

	Financial assets	Financial liabilities
	Amortised cost	**Amortised cost**
	AED	**AED**
Trade receivables (Note 9)	1,048,220	-
Other receivables (Note 13)	321,415	-
Financial asset at amortised cost (Note 13)	25,113,785	-
Fixed deposits (Note 15)	1,000,000	-
Cash and cash equivalents (Note 16)	9,710,758	-
Trade and other payables (Note 24)	-	1,295,747
	37,194,178	**1,295,747**

31 Financial instruments and risk management (continued)

Fair value measurements

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Entity takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Management considers that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

Valuation techniques and assumptions applied for the purposes of measuring fair value

1) Fair value measurements recognised in the statement of financial position

Some of the Entity's financial assets are measured at fair value at the end of the reporting year. The following table gives information about how the fair values of these financial assets are determined;

31 Financial instruments and risk management (continued)

	2024	2023	**Fair value hierarchy**
	AED	AED	
Investments			
Quoted financial assets at FVTOCI	**104,397,192**	102,776,569	Level 1
Unquoted financial assets at FVTOCI	**51,829,000**	57,602,000	Level 3
Quoted financial assets at FVTPL	**21,960,021**	11,009,492	Level 1
Unquoted financial assets at FVTPL	**108,230,000**	-	Level 3

There were no transfers between each of level during the year.

Quoted financial assets at FVTOCI and FVTPL

The quoted financial assets at FVTOCI and FVTPL are valued based on the quoted bid prices in the active market. There are no significant unobservable inputs and the sensitivity analysis and relationship of unobservable inputs to fair value is not applicable.

Unquoted financial assets at FVTOCI and FVTPL

The unquoted equity instruments are valued based on DCF approach and EBITDA approach. In this approaches, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of these investees. The EBITDA method was used to assess a the Entity's operating performance without factoring in non-operating factors like interest, taxes, depreciation and amortisation, and financing costs. It provides a measure of the Entity's profitability purely from operations.

The significant unobservable inputs for unquoted equity investments at FVTOCI are long term revenue growth, weighted average cost of capital and discount for lack of marketability and control. The long-term revenue growth rate will be determined taking into account management's experience and knowledge of market conditions of the specific industries 4% (2023: 4%). Discount rate of 8.93% (2023: 10.24%) was determined using capital asset pricing model. The weighted average cost of capital was determined using a capital asset pricing model 9.40% (2023: 12.47%). The discount for lack of marketability and control was determined by reference to the share price of listed entities in similar industries 5% (2023: 2%).

The significant unobservable inputs for unquoted equity investments at FVTPL are long term revenue growth, weighted average cost of capital and discount for lack of marketability and control. The long-term revenue growth rate will be determined taking into account management's experience and knowledge of market conditions of the specific industries 1% (2023: Nil). The weighted average cost of capital was determined using a capital asset pricing model 8.47% (2023: Nil). The discount for lack of marketability and control was determined by reference to the share price of listed entities in similar industries 5% (2023: Nil).

The sensitivity analysis and relationship of unobservable inputs to fair value is as follows. The higher / (lower) the revenue growth rate, the higher / (lower) the fair value. The higher / (lower) the discount rate, the (lower) / higher the fair value. The higher / (lower) the weighted average cost of capital, the (lower) / higher the fair value. The higher / (lower) the discount, the (lower) / higher the fair value.

31 Financial instruments and risk management (continued)

2) Reconciliation of fair value measurement for the unquoted equity investments - FVTOCI

	2024	2023
	AED	AED
Balance at the beginning of the year	**57,602,000**	58,439,367
Changes in fair value	**(5,773,000)**	(837,367)
	51,829,000	57,602,000

Financial risk management objectives

The Entity's financial risk management policies set out the Entity's overall business strategies and risk management philosophy. The Entity's overall financial risk management program seeks to minimise potential adverse effects to the financial performance of the Entity. The management carries out overall financial risk management covering specific areas, such as market risk (including foreign exchange risk and interest rate risk), credit risk, and liquidity risk and investing excess cash.

The Entity's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates.

The Entity does not hold or issue derivative financial instruments for speculative purposes.

Interest risk

The Entity's exposure to the risk of changes in market interest rates relates primarily to the Entity's borrowings with floating interest rates.

Interest rate sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for nonderivative instruments at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year. A 50 basis point increase or decrease is used for reporting interest rate risk internally to key management and represents management's assessment of the reasonable possible change in interest rates.

If interest rates had been 50 basis points higher / (lower) and all other variables were held constant, the Entity's profit for the year then ended would (decrease) / increase by AED 150,000 (2023: AED Nil).

Market risk

The Entity's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

Market risk exposures are measured using sensitivity analysis. There has been no change to the Entity's exposure to market risks or the manner in which it manages and measures the risk.

Foreign currency risk

The Entity does not have any significant exposure to currency risk, as most of its assets and liabilities are denominated in Arab Emirates Dirham.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Entity. As at 31 December 2024, the Entity's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Entity due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Entity arises from the carrying amount of the respective recognised financial assets as stated in the statement of financial position.

31 Financial instruments and risk management (continued)

Credit risk (continued)

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

Liquidity risk

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

The table below summarises the maturity profile of the Entity's financial instruments. The contractual maturities of the financial instruments have been determined on the basis of the remaining period at the reporting date to the contractual maturity date. The maturity profile is monitored by management to ensure adequate liquidity is maintained. The maturity profile of the financial assets and financial liabilities at the reporting date based on contractual repayment arrangements was as follows:

	Interest bearing			
Particulars	**On demand or less than 3 months**	**Within 1 year**	**More than 1 year**	**Total**
		As at 31 December 2024		
Financial assets				
Cash and cash equivalents	-	1,400,000	-	**1,400,000**
Financial assets at amortised cost	-	-	67,064,030	**67,064,030**
	-	**1,400,000**	**67,064,030**	**68,464,030**
Financial liabilities				
Bank borrowings	-	-	30,000,000	**30,000,000**

31 Financial instruments and risk management (continued)

	Non-interest bearing			
Particulars	**On demand or less than 3 months**	**Within 1 year**	**More than 1 year**	**Total**
		As at 31 December 2024		
Financial assets				
Trade receivables	-	451,989	-	**451,989**
Cash and cash equivalents	2,242,865	-	-	**2,242,865**
Other receivables	-	103,798	-	**103,798**
Investments at fair value through profit or loss	-	130,190,021	-	**130,190,021**
	2,242,865	**130,745,808**	**-**	**132,988,673**
Financial liabilities				
Trade and other payables	-	1,932,030	-	**1,932,030**
Due to related parties	-	230,663	-	**230,663**
	-	**2,162,693**	**-**	**2,162,693**

	Interest bearing			
Particulars	On demand or less than 3 months	Within 1 year	More than 1 year	Total
		As at 31 December 2023		
Financial assets				
Fixed deposits	-	1,000,000	-	**1,000,000**
Financial assets at amortised cost	-	-	25,113,785	**25,113,785**
	-	**1,000,000**	**25,113,785**	**26,113,785**

31 Financial instruments and risk management (continued)

Particulars	Non-interest bearing On demand or less than 3 months	Within 1 year	More than 1 year	Total
	As at 31 December 2023			
Financial assets				
Trade receivables	-	1,048,220	-	**1,048,220**
Cash and cash equivalents	9,710,758	-	-	**9,710,758**
Other receivables	-	321,415	-	**321,415**
	9,710,758	**1,369,635**	**-**	**11,080,393**
Financial liabilities				
Trade and other payables	-	1,295,747	-	**1,295,747**

Equity price risk

The Entity's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Entity manages the equity price risk through diversification and by placing limits on individual and total equity instruments.

At the reporting date, the exposure to unlisted equity securities at fair value was AED 160,059,000 (2023: AED 57,602,000).

At the reporting date, the exposure to listed equity securities at fair value was AED 126,357,213 (2023: AED 113,786,061). A decrease of 10% on the stock market index could have an impact of approximately AED 10,439,719 (2023: AED 10,277,657) on the other comprehensive income and AED 2,196,002 (2023: AED 1,100,949) on the Statement of profit or loss, depending on whether the decline is significant or prolonged. An increase of 10% in the value of the listed securities would impact statement of profit or loss and other comprehensive income.

Capital risk management

The Entity manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the equity balance and complying with statutory requirements.

Gearing ratio

The gearing ratio at the year end was as follows:

	As at December 31 **2024**	2023
Debt(i)	**30,000,000**	-
Cash and cash equivalents	**(2,242,865)**	-
Net Debt	**27,757,135**	-
Equity(ii)	**389,690,846**	-
Net debt to equity ratio	**0.071:1**	-

i) Debt is defined as bank borrowings and loan from a related party as defined in note 23.
ii) Equity include all capital, retained earnings and other reserves of the Entity.

32 Fair value hierarchy

Fair value of financial instruments carried at amortised cost

Management considers that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the financial statements approximate their fair values.

Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair values of financial and non-financial assets and liabilities are determined using similar valuation techniques and assumptions as used in the audited annual financial statements for the year ended 31 December 2024.

The following table provides an analysis of financial and non-financial instruments that are measured subsequent to initial recognition at fair value on a recurring basis, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At year end, the Entity held the following financial and non-financial assets measured at fair value:

	Level 1	**Level 2**	**Level 3**	**Total**
	AED	**AED**	**AED**	AED
As at 31 December 2024				
Investment properties				
Plot of land	**-**	**-**	**35,101,800**	**35,101,800**
Buildings	**-**	**-**	**24,315,000**	**24,315,000**
Investments carried at FVTOCI				
Quoted shares	**104,397,192**	**-**	**-**	**104,397,192**
Unquoted shares	**-**	**-**	**51,829,000**	**51,829,000**
Investments carried at FVTPL				
Quoted shares	**21,960,021**	**-**	**-**	**21,960,021**
Unquoted shares	**-**	**-**	**108,230,000**	**108,230,000**

	Level 1	Level 2	Level 3	Total
	AED	AED	AED	AED
As at 31 December 2023				
Investment properties				
Plot of land	-	-	52,217,500	52,217,500
Buildings	-	-	31,115,500	31,115,500
Investments carried at FVTOCI				
Quoted shares	102,776,569	-	-	102,776,569
Unquoted shares	-	-	57,602,000	57,602,000
Investments carried at FVTPL				
Quoted shares	11,009,492	-	-	11,009,492

32 Fair value hierarchy (continued)

During the year, there were no transfers between the various levels of fair value measurements.

33 Uncertainty related to key estimates

Fair value of investments

The fair value of equities decreases as a result of changes in the levels of equity index and the value of individual stocks. The Entity's listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities.

The effect on the statement of profit or loss and other comprehensive income and on equity (fair value reserve) as a result of a change in the fair value of equity instruments quoted on the different stock exchange markets and held at FVTOCI and FVTPL at 31 December 2024, due to reasonably possible changes in the prices of these quoted shares held by the Entity, with all other variables held constant, is as follows:

	Market Index	
	Change in market prices	**Effect on equity (fair value reserve)**
	%	**AED**
31 December 2024		
Abu Dhabi Securities Exchange	+5%	6,143,935
	-5%	(6,143,935)
Dubai Financial Market	+5%	173,925
	-5%	(173,925)
31 December 2023		
Abu Dhabi Securities Exchange	+5%	5,592,649
	-5%	(5,592,649)
Dubai Financial Market	+5%	96,655
	-5%	(96,655)

34 Segment reporting

	31 December 2024			31 December 2023		
	Poultry (discontinued operations)	**Investments**	**Total**	Poultry (discontinued operations)	Investments	Total
	AED	**AED**	**AED**	AED	AED	AED
Gain on sale of investments in associates	**-**	**1,423,252**	**1,423,252**	-	-	-
Gain on sale of investments at FVTPL	**-**	**1,730,572**	**1,730,572**	-	967,637	967,637
Unrealised gain / (loss) on investments at FVTPL	**-**	**42,031,974**	**42,031,974**	-	(790,290)	(790,290)
(Loss) / gain on change in fair value of investment properties	**-**	**(23,331,200)**	**(23,331,200)**	-	13,000	13,000
General and selling and distribution administrative expenses	**-**	**(4,106,007)**	**(4,106,007)**	-	(2,283,032)	(2,283,032)
Gain on sale of investment properties	**-**	**126,190**	**126,190**	-	1,409,273	1,409,273
Investment income	**-**	**12,284,631**	**12,284,631**	-	11,496,150	11,496,150
Share of (loss) / profit of associates - net	**-**	**(865,081)**	**(865,081)**	-	201,007	201,007
Other income	**-**	**1,194,354**	**1,194,354**	-	5,940,187	5,940,187
Finance costs	**-**	**(353,206)**	**(353,206)**	-	(47,106)	(47,106)
Segment Profit	**-**	**30,135,479**	**30,135,479**	-	16,906,826	16,906,826
Segment Assets	**135,805**	**420,820,668**	**420,956,473**	518,839	363,459,749	363,978,588
	135,805	**420,820,668**	**420,956,473**	518,839	363,459,749	363,978,588
Segment Liabilities	**-**	**33,120,540**	**33,120,540**	-	8,499,575	8,499,575
	-	**33,120,540**	**33,120,540**	-	8,499,575	8,499,575

35 Contingent liabilities and capital commitments

	2024	2023
	AED	AED
Letters of guarantee	-	200,000

Except for the above, and ongoing business obligations which are under normal course of business, there has been no other known contingent liabilities and capital commitments on the Entity's financial statements as of reporting date.

36 Events after the reporting period

There are no significant events after the reporting period, which affect the financial statements or disclosures.

37 Reclassification

During the year, management has had to reclassify 2023 balances within the statement of financial position and statement of profit or loss and other comprehensive income, to provide a better understanding of the operations.