MULTIPLY
GROUP

Multiply Group PJSC

Directors Report and Financial Information

For the period ended 31 December 2022

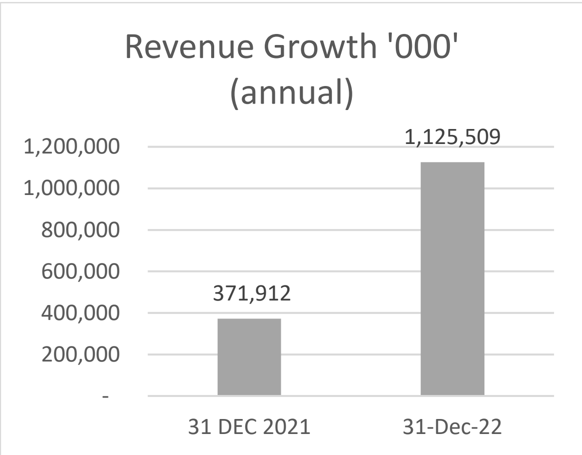
Dear Shareholders,

On behalf of the Board of Directors ("the Board"), I am pleased to present our consolidated financial statements of Multiply Group PJSC (the "Company") and its subsidiaries (together referred to as the "Group") as at 31 December 2022.

Financial aspect (Consolidated):

The Group's Fy2022 figures show revenue of AED 1,125.51 million *(Fy2021: AED 371.91 million)* and gross margin of AED 569.16 million *(Fy2021: AED 210.62 million)*;

As of 31 December 2022, Multiply Group's revenue grew to AED 1,125.51 million from AED 371.91 million compared to the same period last year, mainly nurtured by the impact of organic growth and acquisitions.



The Group recorded net profit for the period ended 31 December 2022 amounting to AED 18,562.95 million *(Fy2021: net profit of AED 225.196 million)*;

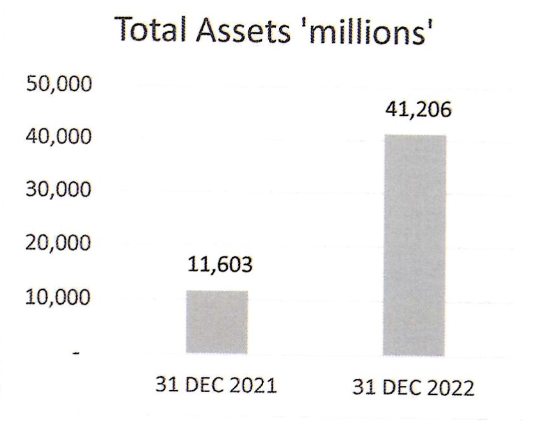
Investment and other income for Fy2022 was AED 18,395.97 million *(Fy2021: AED 103.58million)*;

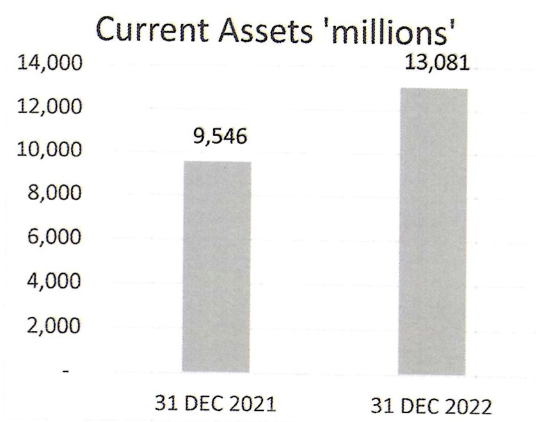
The Group's total expenses (including direct expenses and general and administrative expenses) for the period ended 31 December 2022 were AED 793.92 million *(Fy2021: AED 243.67 million)*.

The Group's earnings per share for the period ended 31 December 2022 was AED 1.65 *(Fy2021: earnings per share of AED .06)*;

As of 31 December 2022, Multiply Group total assets grew by 255% compared with 31 December 2021. The increase is mainly composed of new investments and growth in existing operational assets.

As of 31 December 2022, Multiply Group total current assets grew by 37% compared with 31 December 2021. The Increase is mainly composed of new investments and performance of existing investment portfolio.





Going concern basis

The Board of Directors has reasonable expectation that the Group has adequate resources and support to continue its operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the interim condensed consolidated financial statements for the period ended 31 December 2022.

Transactions with related parties

The consolidated financial statements disclose related party transactions and balances in note 19. All transactions are carried out as part of our normal course of business and in compliance with applicable laws and regulations.

Auditors

Ernst & Young were appointed as external auditors for the Group for the period ended 31 December 2022. Ernst & Young have expressed their willingness to continue in office.

On behalf of the Board of Directors

Mrs. Samia Bouazza
Chief Executive Officer
09 February 2023

Multiply Group PJSC

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2022

EY
Building a better working world

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MULTIPLY GROUP PJSC

Report on the Audit of the Consolidated Financial Statements

Opinion
We have audited the consolidated financial statements of Multiply Group PJSC (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2022 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

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

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

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

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

MULTIPLY GROUP PJSC continued

Report on the Audit of the Consolidated Financial Statements continued

Revenue recognition
Revenue recognition is considered to be a key area of focus given there are multiple revenue streams associated with the Group which come from various decentralised operational locations. In addition, there are a number of different IT systems and applications in place for the recording of revenue transactions. The Group has a variety of customer contracts and revenue arrangements that require careful consideration and judgement to determine the appropriate revenue recognition. Further, revenue is also a key performance indicator for the Group's performance. During the year ended 31 December 2022, total revenue of the Group amounted to AED 1,125,509 thousand (2021: AED 371,912 thousand) (note 24).

We reviewed the revenue recognition policies applied by the Group to assess their compliance with IFRS requirements. For each material operational location with significant revenue streams, we performed or involved component auditors to perform substantive audit procedures which included substantive analytical procedures at the Group, and subsidiary level and performed testing on transactions around the year end, to assess whether revenues were recognised in the correct accounting period.

Impairment assessment of goodwill
The Group has recognized goodwill amounting to AED 230 million arising from acquisition of its subsidiaries operating in multiple segments (note 9).

Management carries out impairment assessments of goodwill annually. Goodwill impairment testing is considered a key audit area given the significant estimates and assumptions involved in determining the value in use of the repsective cash generating units. Assumptions used relate to future cash flows, revenue growth rates, expected inflation rates and discount rates.

As part of our audit procedures, we tested, together with our valuation specialists, the methodologies and inputs used by the Group in the discounted cash flow models as well as the assumptions relating to the growth rates, inflation rates and discount rates. We have analyzed the sensitivity of available headroom in the respective CGUs to changes in certain assumptions. We have also compared actual performance of cash generating units to the assumptions applied in discounted cash flow models to assess the historical accuracy of management's estimates.

We have assessed the adequacy of disclosure in line with the requirements of the IFRSs.

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Report on the Audit of the Consolidated Financial Statements continued

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

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

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

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

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

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

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

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

MULTIPLY GROUP PJSC continued

Report on the Audit of the Consolidated Financial Statements continued

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

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

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

MULTIPLY GROUP PJSC continued

Report on the Audit of the Consolidated Financial Statements continued

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

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

Report on Other Legal and Regulatory Requirements

Further, as required by the UAE Federal Law No. (32) of 2021, we report that for the year ended 31 December 2022:

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

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

iii) the Group has maintained proper books of account;

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

v) investments in shares and stocks are included in notes 11, 12, and 13 to the consolidated financial statements and include purchases and investments made by the Group during the year ended 31 December 2022;

vi) note 19 reflects the disclosures relating to material related party transactions and the terms under which they were conducted;

vii) based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Company has contravened, during the financial year ended 31 December 2022, any of the applicable provisions of the UAE Federal Law No. (32) of 2021 (as amended) or of its Articles of Association which would materially affect its activities or its consolidated financial position as at 31 December 2022; and

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

Signed by:
Raed Ahmad
Partner
Ernst & Young
Registration No 811

9 February 2023
Abu Dhabi

Multiply Group PJSC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2022

	Notes	2022 AED'000	2021 AED'000
ASSETS			
Non-current assets			
Property, plant and equipment	7	**1,405,865**	1,260,947
Investment property	8	**126,546**	131,682
Intangible assets and goodwill	9	**465,362**	501,428
Right-of-use assets	10	**104,423**	94,384
Investment in associate and joint venture	11	**1,838,425**	-
Non-current receivables	14	**1,647,558**	-
Investments carried at fair value through profit or loss	13	**22,491,803**	-
Investments carried at fair value through other comprehensive income	12	**45,045**	68,903
		28,125,027	2,057,344
Current assets			
Inventories	15	**24,304**	20,391
Investments carried at fair value through profit or loss	13	**11,440,768**	5,433,404
Trade and other receivables	14	**526,128**	207,033
Due from related parties	19	**56,514**	343,264
Cash and bank balances	16	**1,033,141**	3,542,326
		13,080,855	9,546,418
TOTAL ASSETS		**41,205,882**	11,603,762
EQUITY AND LIABILITIES			
Equity			
Share capital	17	**2,800,000**	2,800,000
Share premium	17	**6,703,610**	6,703,610
Statutory reserve	18	**1,400,000**	18,642
Cumulative changes on revaluation of investments		**(21,491)**	1,384
Merger, acquisition and other reserves		**378,679**	375,353
Retained earnings		**17,266,690**	251,512
Equity attributable to owners of the Company		**28,527,488**	10,150,501
Non-controlling interests	20	**853,219**	575,529
Total equity		**29,380,707**	10,726,030
Non-current liabilities			
Employees' end of service benefit	21	**44,647**	37,383
Borrowings	22	**8,102,301**	276,345
Loan from a related party	19	**29,707**	38,516
Lease liabilities	10	**70,300**	75,409
Other payables	23	**1,540,153**	108,303
		9,787,108	535,956
Current liabilities			
Loan from a related party	19	**43,911**	27,485
Borrowings	22	**361,037**	90,585
Lease liabilities	10	**36,562**	20,321
Due to related parties	19	**960,763**	28,494
Trade and other payable	23	**635,794**	174,891
		2,038,067	341,776
Total liabilities		**11,825,175**	877,732
TOTAL EQUITY AND LIABILITIES		**41,205,882**	11,603,762

CHAIRMAN   CHIEF EXECUTIVE OFFICER   GROUP FINANCE DIRECTOR

The attached notes 1 to 33 form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the year ended 31 December 2022

	Notes	***2022 AED'000***	*2021 AED'000*
Revenue	24	**1,125,509**	371,912
Cost of revenue	25	**(556,351)**	(161,294)
GROSS PROFIT		**569,158**	210,618
Investment and other income	27	**18,395,968**	103,557
Share of loss from investment in associate and joint venture	11	**(14,533)**	(903)
General and administrative expenses	26	**(237,564)**	(82,374)
Finance cost	22	**(150,081)**	(5,702)
PROFIT FOR THE YEAR		**18,562,948**	225,196
Attributable to:			
Owners of the Company		**18,425,295**	184,915
Non-controlling interests		**137,653**	40,281
		18,562,948	225,196
Basic earnings per share (AED)	28	**1.65**	0.06

The attached notes 1 to 33 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2022

	Note	**2022 AED'000**	2021 AED'000
Profit for the year		**18,562,948**	225,196
Other comprehensive income:			
Items that will not be reclassified subsequently to the consolidated statement of profit or loss:			
Change in the fair value of financial assets carried at fair value through other comprehensive income	12	**(23,858)**	1,384
Total other comprehensive (loss) income		**(23,858)**	1,384
Total comprehensive income for the year		**18,539,090**	226,580
Attributable to:			
Owners of the Company		**18,402,420**	186,299
Non-controlling interests		**136,670**	40,281
		18,539,090	226,580

The attached notes 1 to 33 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2022

	Attributable to equity holders of the Company									
	Share capital AED'000	*Share premium AED'000*	*Statutory reserve AED'000*	*Capital contribution AED'000*	*Cumulative changes in fair value of investments AED'000*	*Merger, acquisition and other reserve AED'000*	*Retained earnings AED'000*	*Total AED'000*	*Non controlling-interests AED'000*	*Total equity AED'000*
Balance at 1 January 2021	300	-	150	33,147	-	-	56,330	89,927	-	89,927
Profit for the year	-	-	-	-	-	-	184,915	184,915	40,281	225,196
Other comprehensive income for the year	-	-	-	-	1,384	-	-	1,384	-	1,384
Total comprehensive income for the year	-	-	-	-	1,384	-	184,915	186,299	40,281	226,580
Transfer to statutory reserve	-	-	18,492	-	-	-	(18,492)	-	-	-
Business combination of entities under common control (note 6.1)	-	-	-	-	-	1,075,721	-	1,075,721	375,913	1,451,634
Acquisition of subsidiaries (note 6.2)	-	-	-	-	-	-	-	-	81,590	81,590
Disposal of partial interest in subsidiary (note 6.2)	-	-	-	-	-	-	28,759	28,759	51,947	80,706
Consideration settled by the Parent Company (note 6.2)	-	-	-	-	-	73,000	-	73,000	-	73,000
Additional capital contributed (note 19.2)	-	-	-	69,095	-	-	-	69,095	-	69,095
Capital contributed by non-controlling interest	-	-	-	-	-	-	-	-	25,798	25,798
Increase in share capital (note 17)	2,799,700	6,703,610	-	(102,242)	-	(773,368)	-	8,627,700	-	8,627,700
Balance at 31 December 2021	2,800,000	6,703,610	18,642	-	1,384	375,353	251,512	10,150,501	575,529	10,726,030
Balance at 1 January 2022	2,800,000	6,703,610	18,642	-	1,384	375,353	251,512	10,150,501	575,529	10,726,030
Profit for the year	-	-	-	-	-	-	18,425,295	18,425,295	137,653	18,562,948
Other comprehensive income for the year	-	-	-	-	(22,875)	-	-	(22,875)	(983)	(23,858)
Total comprehensive income for the year	-	-	-	-	(22,875)	-	18,425,295	18,402,420	136,670	18,539,090
Transfer to statutory reserve	-	-	1,381,358	-	-	-	(1,381,358)	-	-	-
Capital contributed by non-controlling interest	-	-	-	-	-	-	-	-	189,196	189,196
Business combination of entities under common control (note 6.1)	-	-	-	-	-	240	-	240	60	300
Other equity movement	-	-	-	-	-	2,961	(28,759)	(25,798)	(3,763)	(29,561)
Disposal of partial interest in a subsidiary (note 6.3)	-	-	-	-	-	125	-	125	(125)	-
Dividends to non-controlling interest (note 30)	-	-	-	-	-	-	-	-	(44,348)	(44,348)
Balance at 31 December 2022	**2,800,000**	**6,703,610**	**1,400,000**	-	**(21,491)**	**378,679**	**17,266,690**	**28,527,488**	**853,219**	**29,380,707**

The attached notes 1 to 33 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2022

	Notes	2022 AED'000	2021 AED'000
OPERATING ACTIVITIES			
Profit for the year		**18,562,948**	225,196
Adjustments for:			
Depreciation of property, plant and equipment	7	**67,913**	25,763
Depreciation of right-of-use assets	10	**31,307**	3,944
Depreciation of investment property	8	**5,136**	2,568
Amortisation of intangible assets	9	**20,895**	6,343
Share of loss (profit) from investment in associate	11	**14,533**	903
Change in fair value of investments carried at fair value through profit or loss	13	**(18,095,400)**	(56,740)
Gain on revaluation of previously held equity interest	27	-	(40,988)
Gain on disposal of property, plant and equipment	27	**(1,133)**	(702)
Provision for employees' end of service benefit	21	**10,887**	3,641
Finance costs	22	**150,081**	5,702
Interest and dividend income	27	**(113,454)**	(209)
Allowance for slow moving inventories	15	**690**	-
Amortisation of deferred income	27	**(116,647)**	
Unwinding of discount on non-current receivable	27	**(47,808)**	
Allowance for (reversal of) expected credit losses	14 & 15	**14,367**	(3,132)
Operating cash flows before working capital changes		**504,315**	172,289
Working capital changes:			
Inventories		**(4,443)**	(318)
Due from related parties		**287,050**	(289,461)
Trade and other receivables		**(1,932,982)**	92,272
Due to related parties		**11,682**	(7,529)
Trade and other payables		**2,001,603**	2,802
Cash from (used in) operations		**867,225**	(29,945)
Finance costs paid		**(6,417)**	(3,885)
Employees' end of service benefit paid	21	**(3,653)**	(1,344)
Net cash from (used in) operating activities		**857,155**	(35,174)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	7	**(207,911)**	(94,156)
Term deposits with original maturities of more than three months		**(100,000)**	(100,000)
Purchase of intangible assets	9	**(838)**	(640)
Proceeds from sale of property, plant and equipment		**2,016**	703
Purchase of investments carried at fair value through profit or loss	13	**(11,185,397)**	(1,656,742)
Purchase of investment in a joint venture	11	**(932,371)**	
Proceeds from disposal of investments carried at fair value through profit or loss		**781,630**	4,034
Business combination of entities under common control	6.1	-	376,216
Interest and dividend received		**113,454**	209
Cash acquired through acquisition of a subsidiary	6.2	**(7,200)**	(88,061)
Net cash used in investing activities		**(11,536,617)**	(1,558,437)
FINANCING ACTIVITIES			
Cash contribution on increase of share capital	17	-	4,942,100
Capital contributed, net		-	69,095
Net proceeds from borrowings		**7,962,119**	17,579
Repayment of loan from a related party	19.1	-	(25,000)
Repayment of lease liabilities	10	**(36,690)**	(3,965)
Dividend paid		**(44,348)**	-
Capital contribution by non-controlling interest		**189,196**	25,798
Net cash from financing activities		**8,070,277**	5,025,607
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS DURING THE YEAR		**(2,609,185)**	3,431,996
Cash and cash equivalents at beginning of the year		**3,442,326**	10,330
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	16	**833,141**	3,442,326

The attached notes 1 to 33 form part of these consolidated financial statements.

1 GENERAL INFORMATION

Multiply Group PJSC (the "Company") is a public joint stock company registered under the UAE Federal Law No. (32) of 2021. The registered office of the Company is P.O Box 34491, Abu Dhabi, United Arab Emirates.

On 27 October 2021, the shareholders resolved to change the legal form of the Company from a limited liability company to a public joint stock company and to increase the share capital of the Company to AED 2,800,000,000. On 5 December 2021, the Company listed its ordinary shares on the main market of the Abu Dhabi Securities Exchange ("ADX").

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

These consolidated financial statements include the results of operations and financial position of the Company and its subsidiaries (together referred to as the "Group"). The main activities of the Group are:
- Advertisement design and production;
- Economic feasibility consultancy and studies;
- Exhibition organisation and management;
- Public relationship consultancy;
- Organisation and event management and newspaper advertisement;
- Management and development of motor vehicles driving training;
- Manage investments properties;
- Installation of district cooling and air conditioning;
- Repair of district cooling:
- Investment in infrastructure projects;
- Wholesale of cosmetics and make-up trading; and
- Women and men personal care and other grooming related services.

The consolidated financial statements for the year ended 31 December 2022 were approved and authorised for issuance on 09 February 2023 .

2.1 BASIS OF PREPARATION

Statement of compliance
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and applicable requirements of laws of the United Arab Emirates.

Basis for measurement
The consolidated financial statements have been prepared on historical cost basis, except for investments carried at fair value through other comprehensive income and investments carried at fair value through profit or loss which are stated at fair value.

Functional and presentation currency
The consolidated financial statements are presented in United Arab Emirates Dirham ("AED"), which is the functional and presentation currency of the Group. All the values are rounded to the nearest thousand (AED '000) except where otherwise indicated.

2.2 BASIS FOR CONSOLIDATION

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

Control is achieved when the Group is expose or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its return

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

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

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Non-controlling interest represent the portion of profit or loss and net assets of subsidiaries not owned directly or indirectly by the Parent Company. Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the consolidated financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

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

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.2 BASIS FOR CONSOLIDATION continued

Details of subsidiaries as at 31 December 2022 and 31 December 2021 were as follows:

Name of subsidiary	*Place of Incorporation*	*Principal activities*	*Proportion of ownership interest and voting power held*	
			2022	*2021*
Emirates Driving Company PJSC	United Arab Emirates	Driving training and road safety education	**48.01%**	48.01%
Omorfia Group LLC	United Arab Emirates	Women and men personal care and other grooming related services, including procuring beauty products and equipment	**51%**	51%
Viola Communications LLC	United Arab Emirates	Communication, marketing, media and events	**100%**	100%
Pal Cooling Holding LLC	United Arab Emirates	District cooling and air conditioning	**100%**	100%
Norm Commercial Investment – Sole Proprietorship LLC	United Arab Emirates	Investments holding company	**100%**	100%
Multiply Companies Management Sole proprietorship LLC	United Arab Emirates	Management services of companies and private institutions	**100%**	100%
MG Communications LLC	United Arab Emirates	Establishing, investing and managing technology projects	**100%**	100%
MG Wellness Holding LLC	United Arab Emirates	Investment, institute and management of health services enterprises	**100%**	100%
MG Digital Holding LLC	United Arab Emirates	Establishing, investing and managing technology projects	**100%**	100%
MG Utilities Holding LLC	United Arab Emirates	Establishing, investing and managing infrastructure projects	**100%**	100%
MG Ventures Holding LLC	United Arab Emirates	Establishing, investing and managing commercial projects	**100%**	100%
PAL 4 Solar Energy LLC (note 6.3)	United Arab Emirates	Installation and maintenance of alternative energy equipment	**80%**	100%
Spranza Commercial Investments SP LLC	United Arab Emirates	Establishing, investing and managing commercial projects	**100%**	100%
Below are the subsidiaries of Emirates Driving Company PJSC:				
Tabieah Property Investment – Sole Proprietorship L.L.C.	United Arab Emirates	Manage investment properties	**100%**	100%
Below are the subsidiaries of Omorfia Group LLC:				
Bedashing Holding Company LLC	United Arab Emirates	Wholesale cosmetic and make-up trading women personal care and other grooming related services	**100%**	100%
Dashing International Group – Sole proprietorship LLC	United Arab Emirates	Company representation	**100%**	100%
Bedashing Beauty Lounge – Sole proprietorship LLC	United Arab Emirates	Wholesale cosmetics and make-up trading, women personal care and other grooming related services	**100%**	100%
Bedashing Beauty Lounge International Limited	United Arab Emirates	Wholesale cosmetics and make-up trading, women personal care and other grooming related services	**100%**	100%
Dazzling Beauty Salon – Sole Proprietorship	United Arab Emirates	Women personal care and beauty and women hairdressing, trimming and styling	**100%**	100%
Groovy Ladies Beauty Center	United Arab Emirates	Women personal care and beauty and women oriental bath, women haircutting and hair dressing and women massage and relation centre	**100%**	100%
Glam & Glow Beauty Lounge – Sole Proprietorship	United Arab Emirates	Women personal care and beauty, women haircutting and hair dressing and wholesale of cosmetics and trading	**100%**	100%
Stella Beauty Lounge Center	United Arab Emirates	Women personal care and beauty, women haircutting and hair dressing and retails sale of cosmetics	**100%**	100%
Nippers & Scissors training Centre – Sole Proprietorship LLC	United Arab Emirates	Wholesale cosmetics and make-up trading, women personal care and other grooming related services	**100%**	100%
Tips & Toes Beauty and Spa Centre LLC	United Arab Emirates	Ladies' cosmetic and personal care centre, women salon, ladies oriental bath and ladies spa club	**100%**	100%
Rose Water Ladies Salon – Sole Proprietorship LLC (i)	United Arab Emirates	Women personal care and beauty, women hairdressing, trimming, styling and henna pigmenting	**100%**	-
Jazz Lounge Spa LLC	United Arab Emirates	Men oriental bath, gents cosmetic and personal care centre, hair fixing centre, perfumes and cosmetic trading, gents haircutting and hairdressing salon	**100%**	100%
Ben Suhail Distribution LLC	United Arab Emirates	Perfumes and cosmetic trading, beauty and personal care equipment trading, imitation jewellery trading, Soap and hair care products trading, and beauty and personal care requisites trading	**100%**	100%

2 BASIS OF PREPARATION continued

2.2 Basis for consolidation continued

Name of subsidiary	*Place of Incorporation*	*Principal activities*	*Proportion of ownership interest and voting power held*	
			2022	*2021*
Below are the subsidiaries of Viola Communication LLC:				
Purple Printing LLC	United Arab Emirates	Commercial publication printing	**100%**	100%
Purple Exhibition LLC	United Arab Emirates	Commercial publication printing	**100%**	100%
Below are the subsidiaries of PAL Cooling Holding LLC:				
PAL Cooling Services LLC	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects	**100%**	100%
PAL First Cooling LLC	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects	**100%**	100%
PAL Danat Cooling LLC	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects	**100%**	100%
PAL Saraya Cooling LLC	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects	**100%**	100%
PAL Shams Cooling LLC	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects	**100%**	100%
PAL Najmat Cooling LLC	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects	**100%**	100%
PAL 4 Reem Cooling LLC	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investments in infrastructure projects	**100%**	100%
PAL 4 Shams Cooling LLC	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects	**100%**	100%
Below are the subsidiaries of PAL 4 Solar Energy LLC:				
International Energy Holding LLC (i)	United Arab Emirates	Commercial Enterprises Investment, Institution and management, Power Enterprise Investment, and Industrial Enterprises Invetment	**100%**	-

(i) Subsidiaries acquired during the year (note 6)

2.3 CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following new standards, interpretations and amendments effective as of 1 January 2022. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- Reference of the Conceptual Framework – Amendments of IFRS 3
- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16
- Onerous Contracts – Cost of Fulfilling a Contract – Amendments to IAS 37
- IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter
- IFRS 9 Financial Instruments – Fees in the ’10 per cent’ test for derecognition of financial liabilities
- IAS 41 Agriculture – Taxation in fair value measurements

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

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

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

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

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

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

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

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

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

Disposals of interest in a subsidiary to an equity accounted investee
Gain or loss on the disposal of interest in a subsidiary to an equity accounted investee is eliminated to the extent of the retained indirect interest in that disposed entity by the Group.

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Investment in associates and joint ventures
An associate is an entity over which the Group has significant influence that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but has no control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investment in associate and joint venture are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

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

The consolidated statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

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

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

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss within "share of loss from investment in associate and joint venture" in the consolidated statement of profit or loss.

Upon loss of significant influence over the associate or joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Revenue recognition
Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of allowances and rebates. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below. The Group recognises revenue from contracts with customers based on a five-step model as set out in IFRS 15.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Revenue recognition continued

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

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

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

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

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

Media and marketing services:
The Group provides advertising, public relations, production, events management, media and outdoor advertising. Revenue from providing such services is recognised overtime in the accounting period in which the services are rendered or when the event is held at point in time.

District cooling services:
Revenue from services
Revenue from providing district cooling services in the course of ordinary activities is measured at the fair value of the consideration received or receivable. Revenue is recognised when pervasive evidence exists, usually in the form of an executed sales agreement, the significant risks and rewards of ownership have been transferred to the customer and the service has been rendered to the customer, recovery of the consideration is probable, the associated costs can be estimated reliably, there is no continuing management involvement with the service, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

Connection fees
Connection fees are recognised on a straight-line basis over the term of the respective customer contracts unless it represents a separately identifiable service and satisfies other criteria for upfront recognition to the consolidated statement of profit or loss.

Sale of cosmetics and related personal care services:
Sale of goods
The Group's contracts with customers for the sale of goods generally include one performance obligation. The Group accounts for that revenue at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

Rendering of services
The Group provides services related to women and men personal care and beauty. Such services are generally recognised as a performance obligation satisfied at the point in time when the service is rendered to the customer. Fees paid in advance for such services are deferred and released to revenue when the services is provided or when the validity has lapsed.

Income from franchise business arrangements
The Group has entered into franchise agreements with franchisees and royalty income and marketing charge is recognised in revenue based on the percentages agreed in franchise agreements which are recognised over time.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Revenue recognition continued
Training and coaching services:
The Group is engaged in the management and development of motor vehicles driving training. Revenue represents fees charged to customers during the year, which is recognised over the period of the courses on a time proportionate basis when services are provided to customers. Fees paid in advance relating to training services are deferred and released to revenue when the related services are provided.

Revenue from rentals:
Rental income from operating leases is recognised on a straight-line basis over the term except where another systematic basis is more representative of the time pattern in which benefit from the use of the underlying asset is diminished.

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

Provision is also made for the full amount of end of service benefits due to employees in accordance with the Group's policy, which is at least equal to the benefits payable in accordance with UAE Labour Law, for their period of service up to the end of the reporting period. The accrual relating to annual leave and leave passage is classified as a current liability, while the provision relating to end of service benefits is classified as a non-current liability.

Pension contributions are made in respect of UAE national employees to the UAE General Pension and Social Security Authority in accordance with the UAE Federal Law No. (2), 2000 for Pension and Social Security.

Property, plant and equipment
Recognition and measurement
Items of property, plant and equipment are stated at historical cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the followings:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and capitalised borrowing costs.

When parts of an item of property, plant and equipment are significant and have different useful lives, they are accounted for as separate items of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in the consolidated statement of profit or loss.

Subsequent costs
Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the consolidated statement of profit or loss in the period in which they are incurred.

Depreciation is calculated on a straight-line basis over their useful lives as follows:

Buildings and leasehold improvements	5 – 30 years
Plant and machinery	30 – 35 years
Office equipment, furniture and fixtures	3 – 10 years
Motor vehicles	4 – 15 years

The estimated useful lives, residual values and depreciation method are reviewed at each year-end, with the effect of any changes in estimate accounted for on a prospective basis.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Property, plant and equipment continued

Capital work in progress

Assets under construction ('capital work in progress') are stated at cost, net of accumulated impairment losses, and are not depreciated. All costs directly attribute to bringing the asset to the location and condition necessary for it to be used in the manner intended by management are included in the construction cost, including related staff costs, and for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. When the assets are ready for intended use, the capital work in progress is transferred to the appropriate property, plant and equipment or investment properties category and is depreciated in accordance with the Group's policies.

Derecognition

The 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 consolidated statement profit or loss.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in consolidated statement of profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit or loss.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss.

Concession rights

These include cost incurred to obtain certain concession rights and are amortised on a straight-line basis in the consolidated statement of profit or loss over their estimated useful life of 37 years from the date of construction of the district cooling plant.

Customer relationship

Customer relationship represents future economic benefits in the form of future business with a customer beyond the amount secured by any current contractual arrangements. Customer relationship acquired in a business combination that does not arise from a contract may nevertheless be identifiable because the relationship is separable. These mainly represent non-contractual relationships and meet the criteria for recognition as intangible assets under IAS 38. Customer relationships have a finite useful life and are carried at cost less accumulated amortisation and impairment. Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful lives of 5 years.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Intangible assets and goodwill continued

Brand name

Brand is a unique design, sign, symbol, words, or a combination of these, employed in creating an image that identifies a product and differentiates it from its competitors. Brand name represents future economic benefits in the form of future business linked the brand name of subsidiaries. Brand name has a finite useful life and are carried at cost less accumulated amortisation and impairment. Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful life of 7 to 20 years.

Other intangible assets are amortised over a period of 2 to 8 years using straight-line method.

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 consolidated statements of profit or loss in the period during which they are incurred.

Leases

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

Group as a lessee

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

i) Right-of-use assets

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

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and estimated useful life of the assets, as follows:

Office space	3 - 4 years
Salon shops	2 - 7 years
Land	32 years
Motor vehicles	3 - 4 years

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

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for an identified impairment loss as described in the ‘property, plant and equipment’ policy.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Leases continued
Group as a lessee continued

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line general and administrative in the consolidated statement of profit or loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Group re-measures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate.

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

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Leases continued
Group as a lessor
The Group enters into lease agreements as a lessor with respect to some of its investment properties.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term. Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes lease and non-lease components, the Group applies IFRS 15 to allocate consideration under the contract to each component.

Investment properties
Investment properties are properties held to earn rentals and/or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties are stated at cost less accumulated depreciation and impairment.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed assets includes the following:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

Upon completion of construction or development, a property is transferred from properties under development to completed properties.

Investment properties are derecognised either when they have been disposed of (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the consolidated statement of profit or loss in the period of derecognition. In determining the amount of consideration from the derecognition of investment property the Group considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

When the use of investment property changes such that it is reclassified from, or to, property, plant and equipment, inventory or development work-in-progress, it's carrying value at the date of reclassification becomes its cost for subsequent accounting purposes.

Depreciation on investment properties is calculated using the straight-line method over their estimated useful life being 30 years.

Inventories
Inventories are valued at the lower of cost and net realisable value. Cost is determined on the weighted average cost basis and comprises invoiced cost, duties, freight charges and other related expenses that have been incurred in bringing the inventory to their present location and condition. NRV is the estimated selling price in the ordinary course of business less the estimated costs of completion and sale. The costs of sale include directly attributable marketing and distribution costs.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Foreign currencies
Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. All differences are taken to the consolidated statement of profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

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

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

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

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

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

The Group has the following financial assets:

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

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

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

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Financial assets continued

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised under investment and other income in the consolidated statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at fair value through profit or loss

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

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

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

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

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

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

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

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

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

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at amortised cost (loans and borrowings)
This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in consolidated statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of profit or loss.

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

Derecognition of financial liabilities
The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

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

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

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

Fair value measurement
The Group measures financial instruments such as financial assets at fair value through other comprehensive income, trade and other receivables, due from related parties and cash and bank balances at fair value at each consolidated statement of financial position date.

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

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

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

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

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

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

Goodwill and intangible assets with indefinite useful lives are tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

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

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. Where 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 some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the 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.

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

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Current versus non-current classification
The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification.

An asset is classified as current when it is:

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

All other assets are classified as non-current.

A liability is classified as current when:

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

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

Non-monetary contributions from shareholders
Non-monetary contributions received from shareholders are initially recorded at a nominal value. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Dividends
The Company recognises a liability to pay a dividend when the distribution is authorised, and the distribution is no longer at the discretion of the Group. A distribution is authorised when it is approved by the shareholder. A corresponding amount is recognized directly in equity.

4 STANDARDS ISSUED BUT NOT EFFECTIVE

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

- IFRS 17 Insurance Contracts
- Classification of Liabilities as Current or Non-current – Amendments to IAS 1
- Definition of Accounting Estimates – Amendments to IAS 8
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The Group does not expect that the adoption of these new and amended standards and interpretations will have a material impact on its consolidated financial statements.

4 STANDARDS ISSUED BUT NOT EFFECTIVE continued

UAE Corporate Tax Law
On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime will become effective for accounting periods beginning on or after 1 June 2023.

Generally, UAE businesses will be subject to a 9% CT rate. A rate of 0% will apply to taxable income not exceeding a particular threshold to be prescribed by way of a Cabinet Decision. In addition, there are several other decisions that are yet to be finalised by way of a Cabinet Decision that are significant in order for entities to determine their tax status and the taxable income. Therefore, pending such important decisions by the Cabinet as at 31 December 2022, the Group has considered that the Law is not substantively enacted from IAS 12 – Income Taxes perspective as at 31 December 2022. The [Company] shall continue to monitor the timing of the issuance of these critical cabinet decisions to determine their tax status and the application of IAS 12 – Income Taxes.

5 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION OF UNCERTAINTY

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

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period of the revision in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

Useful lives of property, plant and equipment, intangible assets and investment properties
The management determines the estimated useful lives of its property, plant and equipment, intangible assets and investment properties for calculating depreciation and amortisation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and the future depreciation/amortisation charge would be adjusted where management believes that the useful lives differ from previous estimates.

Impairment assessment of non-financial assets
Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm’s length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill recognised by the Group.

Property, plant and equipment, intangible assets with an indefinite useful life, right-of-use assets and investment properties are assessed for impairment based on the assessment of cash flows on individual cash-generating units when there is an indication that those assets have suffered an impairment loss. Goodwill is tested for impairment on an annual basis.

Based on the assessment performed, no impairment loss was recorded or the year ended 31 December 2022 (2021: nil).

5 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION OF UNCERTAINTY continued

Key sources of estimation of uncertainty continued

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

Allowance for slow moving inventories
Inventories are stated at the lower of cost or net realisable value. Adjustments to reduce the cost of inventory to its net realisable value, if required, are made at the product level for estimated excess, obsolescence or impaired balances. Factors influencing these adjustments include changes in demand, technological changes, physical deterioration and quality issues. Revisions to the allowance for slow moving inventories would be required if the outcome of these indicative factors differ from the estimates.

Provision for expected credit losses of trade receivables
The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating etc.).

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

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

At the reporting date, gross trade receivables were AED 165,509 thousand (2021: AED 159,819 thousand) with provision for expected credit losses of AED 35,922 thousand (2021: AED 21,555 thousand). Any difference between the amounts actually collected in future periods and the amounts expected to be received will be recognised in the consolidated statement of profit or loss.

Fair value measurement of financial instruments
When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. See Note 33 for further disclosures.

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

5 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION OF UNCERTAINTY continued

Critical accounting judgements in applying accounting policies

In the process of applying the Group's accounting policies, which are descried in note 3, management has made the following judgements that have the most significant effect on the amounts recognised in the consolidated financial statements.

Determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

Consolidation of entities in which the Group holds less than a majority of voting right (de facto control)

The Group considers that it has de-facto control over Emirates Driving Company PJSC ("DRIVE"), even though it owns less than 50% of the voting rights. This is because of the following:

- The Group is the single largest shareholder at 48.01% with the remaining 51.99% being dispersed amongst 499 shareholders, of which two holds 6.51% and 5.54% and the remaining individually hold no more than 5% of the voting rights; and
- There is no history of the other shareholders collaborating to exercise their votes collectively or to outvote the Group.

6 BUSINESS COMBINATIONS

6.1 Business combination under common control

During the years ended 31 December 2021 and 2022, the Group acquired the following entities under common control. These acquisitions are excluded from the scope of International Financial Reporting Standard 3 (IFRS 3) "Business Combinations" as they are business combinations of entities under common control, given that the Company and the acquired entities are ultimately controlled by the same party before and after the acquisition. The acquisitions have been accounted for in the consolidated financial statements using the pooling of interest method, which reflects the economic substance of the transaction. The Group has elected to consolidate the income, expenses, assets and liabilities of acquired entities from the date of acquisition.

6.1 (a) Acquisitions during the year

International Energy Holding LLC

Effective 1 August 2022, PAL 4 Solar Energy LLC, a subsidiary, acquired a 100% equity interest in International Energy Holding LLC ("Energy") for nil consideration. Energy is based in Abu Dhabi, United Arab Emirates, and is involved in commercial, power, and industrial enterprise investment, institution and management. From the date of acquisition, Energy contributed a loss of AED 10,593 thousand to the Group.

The amount recognised in respect of the identifiable asset acquired and liabilities assumed are set out in the table below.

	AED'000
Assets	
Due from related parties	300
Total assets	**300**
Net assets	**300**
Less: non-controlling interest	(60)
Proportionate share of identifiable net assets acquired	240
Merger reserve	**240**

6.1 (b) Acquisitions in the prior year

Emirates Driving Company PJSC *("DRIVE")*

Effective 30 June 2021, the Group acquired a 48.01% share in Emirates Driving Company PJSC ("DRIVE") and its subsidiary for nil consideration, by acquiring 100% of the shares in Spranza Commercial Investment – Sole Properties LLC, an entity which held the shares in DRIVE. DRIVE is a Public Joint Stock Company incorporated in the United Arab Emirates and is involved in the management and development of motor vehicles driving training and to manage investment properties. From the date of acquisition, DRIVE contributed revenue and profit to the Group amounting to AED 136,859 thousand and AED 77,474 thousand respectively, for the year ended 31 December 2021. If the acquisition had taken place at the beginning 2021, DRIVE would have contributed revenue and profit to the Group amounting to AED 260,090 thousand and AED 168,003 thousand, respectively, for the year ended 31 December 2021.

PAL Cooling Holding LLC *("PAL")*

Effective 1 July 2021, the Group acquired 100% of the shares in PAL Cooling Holding LLC ("PAL") and its subsidiaries for nil consideration. PAL is a Limited Liability Company incorporated in the United Arab Emirates and is involved in the installation of district cooling and air conditioning, repair of district cooling and investment in infrastructure projects. From the date of acquisition, PAL contributed revenue and profit to the Group amounting to AED 144,377 thousand and AED 64,825 thousand respectively, for the year ended 31 December 2021. If the acquisition had taken place at the beginning of 2021, PAL would have contributed revenue and profit to the Group amounting to AED 384,978 thousand and AED 132,266 thousand respectively, for the year ended 31 December 2021.

6 BUSINESS COMBINATIONS continued

6.1 Business combination under common control continued

6.1 (b) Acquisitions in the prior year continued

Bedashing Holding Company LLC *("BEDASHING")*

Effective 28 September 2021, the Group acquired 100% of the shares in Bedashing Holding Company LLC ("BEDASHING") for nil consideration. BEDASHING is a Limited Liability Company incorporated in the United Arab Emirates and is involved in wholesale cosmetics and make-up trading, women personal care and other grooming related services. From the date of acquisition, BEDASHING contributed revenue and profit to the Group amounting to AED 25,969 thousand and AED 1,697 thousand respectively, for the year ended 31 December 2021. If the acquisition had taken place at the beginning of 2021, BEDASHING would have contributed revenue and profit to the Group amounting to AED 74,703 thousand and AED 8,835 thousand respectively, for the year ended 31 December 2021.

The amount recognised in respect of the identified asset acquired and liabilities assumed are as set out in the table below.

	DRIVE AED'000	*PAL AED'000*	*BEDASHING AED'000*	*Total AED'000*
Assets				
Property, plant and equipment	200,385	934,841	18,916	1,154,142
Goodwill	-	-	35,900	35,900
Intangible assets	3,634	74,955	33,897	112,486
Right-of-use assets	40,193	-	13,695	53,888
Investment property	134,250	-	-	134,250
Investments carried at fair value through other comprehensive income	38,119	-	-	38,119
Investments carried at fair value through profit or loss	38,356	-	-	38,356
Inventories	3,170	-	4,290	7,460
Trade and other receivables	57,332	156,266	5,574	219,172
Due from related parties	300	23,267	-	23,567
Cash and bank balances	289,510	70,080	16,626	376,216
	805,249	**1,259,409**	**128,898**	**2,193,556**
Liabilities				
Employees' end of service benefit	5,222	4,310	1,058	10,590
Loan from a related party	-	50,000	-	50,000
Borrowings	-	390,352	-	390,352
Lease liabilities	41,134	-	13,352	54,486
Due to related parties	-	17,450	75	17,525
Trade and other payables	35,544	175,581	7,844	218,969
	81,900	**637,693**	**22,329**	**741,922**
Net assets	**723,349**	**621,716**	**106,569**	**1,451,634**
Less: non-controlling interest	(375,913)	-	-	(375,913)
Proportionate share of identifiable net assets acquired	347,436	621,716	106,569	1,075,721
Consideration paid	-	-	-	-
Merger reserve	**347,436**	**621,716**	**106,569**	**1,075,721**

6 BUSINESS COMBINATIONS continued

6.2 Acquisitions under IFRS 3 Business Combination

6.2 (a) Acquisitions during the year

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

Rose Water Ladies Salon – Sole Proprietorship LLC ("ROSE")

Effective 1 January 2022, BEDASHING acquired a 100% equity interest in Rose Water Ladies Salon - Sole Proprietorship LLC for consideration of AED 7,200 thousand. ROSE is a sole proprietorship LLC, registered in the Emirate of Abu Dhabi, engaged in women personal care and beauty, women hairdressing, trimming, styling and henna pigmenting. From the date of acquisition, ROSE contributed revenue and profit to the Group amounting to AED 5,407 thousand and AED 1,352 thousand respectively.

Assets acquired and liabilities assumed

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

	AED'000
Assets	
Property, plant and equipment	837
Intangible assets	577
Inventories	160
Trade and other receivables	230
Total assets	**1,804**
Liabilities	
Employees' end of service benefit	30
Trade and other payables	117
Total liabilities	**147**
Total identifiable net assets at fair value	**1,657**
Goodwill arising on acquisition	5,543
Total purchase consideration	**7,200**

The Group has finalised the purchase price allocation exercise. Intangible assets comprise mainly of reacquired rights relating to the acquisition which were previously under a franchise agreement with BEDASHING.

Goodwill of AED 5,543 thousand arising from the acquisition comprises largely the value of expected synergies arising from the acquisition, which is not separately recognized. None of the goodwill recognized is expected to be deductible for income tax purposes.

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

- An assumed discount rate of %13.1
- A terminal value, calculated based on long-term sustainable growth rates of the industry is 2% , which has been used to determine income for the future years

6 BUSINESS COMBINATIONS continued

6.2 Acquisitions under IFRS 3 Business Combination continued

6.2 (a) Acquisitions during the year continued

Analysis of cashflows on acquisition is as follows:

	AED'000
Cash paid for the acquisition	**7,200**
Net cash acquired on business combination	**-**
Acquisition of operating business – net of cash used (included in cash flows from investing activities)	**7,200**
Transaction costs of the acquisition (included in cash flows from operating activities)	**30**
Net cash used on acquisition	**7,230**

Acquisition related costs amounting to AED 30 thousand were expensed during the year and are included in general and administrative expenses.

6.2 (b) Acquisitions in prior year

During 2021, the Group acquired the following entities, which were accounted for using the acquisition method under IFRS 3 Business Combination:

Viola Communications LLC *("Viola")*

Effective 1 July 2021, the Group, acquired the remaining 50% equity interest in Viola Communications LLC ("Viola"), for consideration of AED 73,000 thousand. As a result, the Group increased its ownership in Viola to 100% and obtained control. The investment in Viola was previously accounted for as an associate. Viola is a limited liability company, registered and incorporated in the Emirate of Abu Dhabi and is engaged in the business of advertisement, designing and production and other commercial publication printing. From the date of acquisition, Viola contributed revenue and profit to the Group amounting to AED 51,607 thousand and AED 6,037 thousand respectively, for the year ended 31 December 2021. If the acquisition had taken place at the beginning of 2021, Viola would have contributed revenue and profit to the Group amounting to AED 80,100 thousand and AED 4,199 thousand respectively, for the year ended 31 December 2021.

Tips & Toes Beauty and Spa Centre LLC ("Tips & Toes"), Jazz Lounge Spa LLC ("Jazz") and Ben Suhail Distribution LLC ("Ben Suhail")

Effective 31 December 2021, the Group entered into an agreement with a third party to establish Omorfia Group LLC ("Omorfia"). Based on the contractual terms, The Group will contribute Bedashing Holding Company LLC ("BEDASHING ") and pay the third party a cash consideration of AED 156,348 thousand , whereas the third party will contribute Tips & Toes, Jazz, and Ben Suhail. As per the agreement, Omorfia will be 51% owned by the Group and 49% owned by the third party. In substance, the Group acquired 51% controlling interest in Tips & Toes, Jazz, and Ben Suhail for consideration represented by cash consideration of AED 156,348 thousand and the fair value of the 49% interest in BEDASHING transferred to the third party.

Name of entities	*Place of incorporation and operation*	*Principal activities*
Tips & Toes Beauty and Spa Centre LLC *("Tips & Toes")*	United Arab Emirates	Ladies cosmetic & personal care centre, woman salon, ladies oriental bath, and ladies spa club.
Jazz Lounge Spa LLC *("Jazz")*	United Arab Emirates	Men oriental bath, gents cosmetic & personal care centre, hair fixing centre, perfumes & cosmetic trading, gents haircutting & hair dressing salon, gents spa club, soap & hair care products trading, and gents massage & relaxation centre.
Ben Suhail Distribution LLC *("Ben Suhail")*	United Arab Emirates	Perfumes & cosmetics trading, beauty & personal care equipment trading, imitation jewellery trading, soap & hair care products trading, beauty and personal care requisites trading.

If the acquisition had taken place at the beginning of 2021, Tips & Toes, Jazz and Ben Suhail would have contributed revenue and profit to the Group amounting to AED 196,109 thousand and AED 26,668 thousand respectively, for the year ended 31 December 2021.

6 BUSINESS COMBINATIONS continued

6.2 Acquisitions under IFRS 3 Business Combination continued

6.2 (b) Acquisitions in prior year continued

Dazzling Beauty Salon – Sole Proprietorship *("Dazzling")*

Effective 31 October 2021 BEDASHING acquired a 100% equity interest in Dazzling Beauty Salon – Sole Proprietorship ("Dazzling") was acquired for a consideration of AED 3,500 thousand. Dazzling a sole proprietorship existing and duly registered in the Emirate of Ras Al Khaimah and is engaged in women personal care and beauty and women hairdressing, trimming and styling. From the date of acquisition, Dazzling contributed revenue and profit to the Group amounting to AED 750 thousand and AED 313 thousand respectively, for the year ended 31 December 2021. If the acquisition had taken place at the beginning 2021, Dazzling would have contributed revenue and profit to the Group amounting to AED 3,656 thousand and AED 754 thousand respectively, for the year ended 31 December 2021.

Groovy Ladies Beauty Center *("Groovy")*

Effective 31 October 2021 BEDASHING acquired a 100% equity interest in Groovy Ladies Beauty Center ("Groovy") was acquired for a consideration of AED 16,000 thousand. Groovy a sole proprietorship existing and duly registered in the Emirate of Abu Dhabi and is engaged in women personal care and beauty and women oriental bath, women haircutting and hair dressing and women massage and relation centre. From the date of acquisition, Groovy contributed revenue and profit to the Group amounting to AED 1,984 thousand and AED 355 thousand respectively, for the year ended 31 December 2021. If the acquisition had taken place at the beginning of 2021, Groovy would have contributed revenue and profit to the Group amounting to AED 10,940 thousand and AED 2,101 thousand respectively, for the year ended 31 December 2021.

Glam & Glow Beauty Lounge – Sole Proprietorship *("Glam & Glow")*

Effective 31 October 2021 BEDASHING acquired a 100% equity interest in Glam & Glow Beauty Lounge – Sole Proprietorship ("Glam & Glow") was acquired for a consideration of AED 7,500 thousand. Glam & Glow a sole proprietorship existing and duly registered in the Emirate of Abu Dhabi, and is engaged in women personal care and beauty, women haircutting and hair dressing and wholesale of cosmetics and trading. From the date of acquisition, Glam & Glow contributed revenue and profit to the Group amounting to AED 686 thousand and AED 166 thousand respectively, for the year ended 31 December 2021. If the acquisition had taken place at the beginning of 2021, Glam & Glow would have contributed revenue and profit to the Group amounting to AED 4,251 thousand and AED 1,030 thousand respectively, for the year ended 31 December 2021.

Stella Beauty Lounge Center *("Stella")*

Effective 31 October 2021 BEDASHING acquired a 100% equity interest in Stella Beauty Lounge Center – Sole Proprietorship ("Stella") was acquired for a consideration of AED 9,000 thousand. Stella a sole proprietorship existing and duly registered in the Emirate of Abu Dhabi, and is engaged in women personal care and beauty, women haircutting and hair dressing and retails sale of cosmetics. From the date of acquisition, Stella contributed revenue and profit to the Group amounting to AED 955 thousand and AED 247 thousand respectively, for the year ended 31 December 2021. If the acquisition had taken place at the beginning of 2021, Stella would have contributed revenue and profit to the Group amounting to AED 5,119 thousand and AED 941 thousand respectively, for the year ended 31 December 2021.

6 BUSINESS COMBINATIONS continued

6.2 Acquisitions under IFRS 3 Business Combination continued

6.2 (b) Acquisitions in prior year continued

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of the acquired entities as at the date of acquisition was as follows:

	Omorfia Group LLC									
	Jazz	*Tips & Toes*	*Ben Suhail*	*Total*	*Groovy*	*Stella*	*Glam &Glow*	*Dazzling*	*Viola*	*Total*
	AED'000	*AED'000*	*AED'000*	*AED'000*	*AED'000*	*AED'000*	*AED'000*	*AED'000*	*AED'000*	*AED'000*
Assets										
Property, plant and equipment	4,046	27,802	454	32,302	1,319	32	122	588	985	35,348
Intangible assets	7,507	83,044	1,002	91,553	1,449	588	996	344	52,870	147,800
Right-of-use assets	3,515	28,477	-	31,992	-	-	-	-	6,522	38,514
Inventories	346	7,730	2,865	10,941	464	88	-	58	1,062	12,613
Due from related parties	21	19,919	1,452	21,392	-	-	-	-	371	21,763
Trade and other receivables	531	8,391	2,981	11,903	600	651	422	309	48,981	62,866
Cash and bank balances	405	54,780	710	55,895	-	-	-	-	48,392	104,287
Total assets	**16,371**	**230,143**	**9,464**	**255,978**	**3,832**	**1,359**	**1,540**	**1,299**	**159,183**	**423,191**
Liabilities										
Employees' end of service benefit	786	12,091	373	13,250	96	89	69	46	8,320	21,870
Lease liabilities	3,590	27,453	-	31,043	-	-	-	-	6,423	37,466
Due to related parties	6,841	5,796	1,936	14,573	-	-	-	-	2,355	16,928
Trade and other payables	1,867	33,511	2,904	38,282	352	451	170	307	25,330	64,892
Total liabilities	**13,084**	**78,851**	**5,213**	**97,148**	**448**	**540**	**239**	**353**	**42,428**	**141,156**
Total identifiable net assets at fair value	**3,287**	**151,292**	**4,251**	**158,830**	**3,384**	**819**	**1,301**	**946**	**116,755**	**282,035**
Proportionate share of identifiable net assets acquired	**1,676**	**77,159**	**2,168**	**81,003**	**3,384**	**819**	**1,301**	**946**	**116,755**	**204,208**
Goodwill arising on acquisition	2,696	124,071	3,486	130,253	12,616	8,181	6,199	2,554	29,245	189,048
Total purchase consideration	**4,372**	**201,230**	**5,654**	**211,256**	**16,000**	**9,000**	**7,500**	**3,500**	**146,000**	**393,256**
Non-controlling interest	1,611	74,133	2,083	77,827	-	-	-	-	-	77,827

6 BUSINESS COMBINATIONS continued

6.2 Acquisitions under IFRS 3 Business Combination continued

Assets acquired and liabilities assumed continued
During the year, the purchase price allocations was completed for all acquisitions of subsidiaries which resulted in the following adjustments:

- Decrease in the fair value of identifiable assets and liabilities by AED 7,680 thousand;
- Decrease in goodwill by AED 21,881 thousand; and
- Decrease in non-controlling interest by AED 3,763 thousand.

The above adjustments are not material to the prior year's consolidated financial statements and accordingly they were posted in the current year's statement of financial position and statement of changes in equity under other equity movement.

Intangible assets of AED 147,800 thousand have been recognised as a result of the aforementioned acquisitions, which comprises largely of brand names, customer relationships and reacquired rights relating to the acquisition of four beauty salons which were previously under franchise agreements with BEDASHING.

Goodwill of AED 189,048 thousand arising from the acquisition comprises largely the value of expected synergies arising from the acquisition, which are not separately recognised. None of the goodwill recognised is expected to be deductible for income tax purposes.

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

- An assumed discount rate of 14.1% to 16.2%
- A terminal value, calculated based on long-term sustainable growth rates for the industry ranging from 1% to 2%, which has been used to determine income for the future years

Details of purchase consideration are as follows:

	Omorfia AED'000	*Groovy AED'000*	*Stella AED'000*	*Glam &Glow AED'000*	*Dazzling AED'000*	*Viola AED'000*	*Total AED'000*
Cash paid for the acquisition	130,550	16,000	9,000	7,500	3,500	-	166,550
Fair value of share in Bedashing *	80,706	-	-	-	-	-	80,706
Consideration settled by the Parent**	-	-	-	-	-	73,000	73,000
Fair value of previously held equity interest (i)	-	-	-	-	-	73,000	73,000
	211,256	**16,000**	**9,000**	**7,500**	**3,500**	**146,000**	**393,256**

(i) Carrying value of previously held equity interest (note 11)	32,012
Fair value gain (note 27)	40,988
Fair value of previously held equity interest	**73,000**

6 BUSINESS COMBINATIONS continued

6.2 Acquisitions under IFRS 3 Business Combination continued

6.2 (b) Acquisitions in prior year continued

* Represents the fair value of the 49% ownership interest in Bedashing Holding Company LLC which was granted to the third party as part of the agreement to establish Omorfia. The difference between the fair value of Bedashing and its carrying value of AED 51,947 thousand, amounting to AED 28,759 thousand, has been credited to equity.

** The consideration to acquire the remaining 50% interest in Viola Communications LLC was settled by the Parent Company on behalf of the Group. The Parent Company transferred to the seller shares it owned in the Company equivalent to AED 73,000 thousand on the date of the Company's listing (i.e. 5 December 2021). The Group has recorded the consideration settled by the Parent of AED 73,000 thousand under merger, acquisition and other reserve in equity.

Analysis of cashflows on acquisition is as follows:

	Omorfia	*Groovy*	*Stella*	*Glam &Glow*	*Dazzling*	*Viola*	*Total*
	AED'000	*AED'000*	*AED'000*	*AED'000*	*AED'000*	*AED'000*	*AED'000*
Cash paid for the acquisition	130,550	16,000	9,000	7,500	3,500	-	166,550
Net cash acquired on business combination	(55,895)	-	-	-	-	(48,392)	(104,287)
Acquisition of operating business – net of cash used (acquired) (included in cash flows from investing activities)	**74,655**	**16,000**	**9,000**	**7,500**	**3,500**	**(48,392)**	**62,263**
Transaction costs of the acquisition (included in cash flows from operating activities)	97	30	30	30	30	60	277
Net cash used (acquired) on acquisition	**74,752**	**16,030**	**9,030**	**7,530**	**3,530**	**(48,332)**	**62,540**

Acquisition related costs amounting to AED 277 thousand were expensed are included in general and administrative expenses.

Changes to cash flows as a result of the finalization of the purchase price allocations were not reflected in the prior year statement of cash flows as explained above.

6 BUSINESS COMBINATIONS continued

6.3 Reduction in shareholding without a loss of control

Decrease of shareholding in a subsidiary without consideration
During the year, the Group transferred 20% shareholding in PAL 4 Solar Energy LLC to a related party (Alpha Dhabi Holding PJSC) for nil consideration. Following is the schedule for the reduction in shareholding of PAL 4 Solar Energy LLC:

	PAL 4 Solar Energy LLC
Reduction in shareholding (%)	20%
Number of shares disposed-off	2,000
Carrying value of the shareholding disposed-off (net liabilities) *(AED ’000)*	(125)
Cash consideration received	-
Difference recognised directly in mergers acquisition and other reserves *(AED ’000)*	**(125)**

7 PROPERTY, PLANT AND EQUIPMENT

	Building and leasehold improvements AED'000	*Plant and machinery AED'000*	*Office equipment furniture and fixtures AED'000*	*Motor vehicles AED'000*	*Capital work in progress AED'000*	*Total AED'000*
2022						
Cost:						
At 1 January 2022	298,449	862,855	164,202	44,543	343,010	1,713,059
Acquired in business combination (note 6.2)	1,146	-	296	-	-	1,442
Additions	2,736	1,047	9,081	1,057	198,708	212,629
Transfer from intangible assets, net			3,657	-	(698)	2,959
Transfer	1,796	225,776	6,712	-	(234,284)	-
Disposals	(416)	-	(666)	(5,011)	-	(6,093)
At 31 December 2022	**303,711**	**1,089,678**	**183,282**	**40,589**	**306,736**	**1,923,996**
Accumulated depreciation:						
At 1 January 2022	115,775	192,632	119,675	24,030	-	452,112
Acquired in business combination (note 6.2)	437	-	168	-	-	605
Charge for the year	15,880	32,940	14,953	4,140	-	67,913
Transfer from intangible assets, net	-	-	2,711	-	-	2,711
Relating to disposals	(247)	-	(146)	(4,817)	-	(5,210)
At 31 December 2022	**131,845**	**225,572**	**137,361**	**23,353**	-	**518,131**
Net carrying amount:						
At 31 December 2022	**171,866**	**864,106**	**45,921**	**17,236**	**306,736**	**1,405,865**
2021						
Cost:						
At 1 January 2021	5,260	-	1,943	204	-	7,407
Acquired in business combination (note 6)	288,458	862,798	156,881	42,931	263,377	1,614,445
Additions	1,132	57	4,413	4,214	84,340	94,156
Transfer	3,599	-	1,108	-	(4,707)	-
Disposals	-	-	(143)	(2,806)	-	(2,949)
At 31 December 2021	298,449	862,855	164,202	44,543	343,010	1,713,059
Accumulated depreciation:						
At 1 January 2021	2,599	-	1,613	130	-	4,342
Acquired in business combination (note 6)	105,518	178,780	115,798	24,859	-	424,955
Charge for the year	7,658	13,852	2,407	1,846	-	25,763
Relating to disposals	-	-	(143)	(2,805)	-	(2,948)
At 31 December 2021	115,775	192,632	119,675	24,030	-	452,112
Net carrying amount:						
At 31 December 2021	182,674	670,223	44,527	20,513	343,010	1,260,947

7 PROPERTY, PLANT AND EQUIPMENT continued

At 31 December 2022, capital work in progress mainly comprises costs incurred towards construction of district cooling plants and expansion of capacity of plants located in Abu Dhabi which are expected to be completed during the year ending 2023.

During the year ended 31 December 2022, the Group capitalised finance cost of AED 4,718 thousand related to its borrowings (31 December 2021: AED 2,163 thousand).

Property, plant and equipment with a carrying amount of AED 992,195 thousand (31 December 2021: AED 550,726 thousand) are mortgaged as security against borrowings (note 22).

Deprecation charge for the year has been allocated and disclosed in the consolidated statement of profit or loss as follows:

	2022 ***AED'000***	*2021* *AED'000*
Cost of revenue (note 25)	**52,061**	19,216
General and administrative expenses (note 26)	**15,852**	6,547
	67,913	25,763

8 INVESTMENT PROPERTY

	2022 ***AED'000***	*2021* *AED'000*
Cost:		
At 1 January	**176,000**	-
Acquired through business combination (note 6.1)	**-**	176,000
Additions during the year	**-**	-
At 31 December	**176,000**	176,000
Accumulated depreciation:		
At 1 January	**44,318**	-
Acquired through business combination (note 6.1)	**-**	41,750
Charge for the year	**5,136**	2,568
At 31 December	**49,454**	44,318
Net carrying amount		
At 31 December	**126,546**	131,682

Investment property represents a building located in Sadyaat Island, acquired on 28 August 2017 by Emirates Driving Company PJSC, a subsidiary.

The fair value of the Group's investment property as at 31 December 2022 amounted to AED 148,500 thousand (31 December 2021: AED 136,700 thousand) and has been arrived by reference to a valuation carried out by independent valuer not related to the Group. The independent valuer appropriate qualifications and recent experience in the valuation of properties in the relevant location.

The fair value of investment property is determined using the market comparable method. Under this method, comparable investment and rental transactions, together with evidence of demand within the vicinity of the subject property, were applied to value the property. The fair value measurement falls under level 2 in the fair value measurement hierarchy.

8 INVESTMENT PROPERTY continued

The property rental income earned by the Group from its investment property, which is leased out under operating leases and the direct operating expenses arising on the investment property are as follows:

	2022	*2021*
	AED'000	*AED'000*
Rental income	**8,094**	4,334
Direct operating expenses (excluding depreciation)	**(3,330)**	(1,397)
	4,764	2,937

9 INTANGIBLE ASSETS AND GOODWILL

	Goodwill AED'000	Brand name AED'000	Concession rights AED'000	Customer relationship AED'000	Others AED'000	Total AED'000
At 1 January 2022	**246,829**	**158,475**	**73,874**	**7,986**	**14,264**	**501,428**
Relating to business combinations (note 6)	**5,543**	**546**	-	-	**31**	**6,120**
Transferred to property, plant and equipment, net	-	-	-	-	**(248)**	**(248)**
Relating to finalization of prior year's PPA (note 6)	**(21,881)**	-	-	-	-	**(21,881)**
Additions during the year	-	-	-	-	**838**	**838**
Reclassification		**765**			**(765)**	-
Amortisation during the year	-	**(12,903)**	**(2,162)**	**(1,886)**	**(3,944)**	**(20,895)**
At 31 December 2022	**230,491**	**146,883**	**71,712**	**6,100**	**10,176**	**465,362**
At 1 January 2021	-	-	-	-	16	16
Relating to business combinations (note 6)	246,829	160,759	74,955	8,829	15,743	507,115
Additions during the year	-	-	-	-	640	640
Amortisation during the year	-	(2,284)	(1,081)	(843)	(2,135)	(6,343)
At 31 December 2021	246,829	158,475	73,874	7,986	14,264	501,428

Goodwill

Goodwill primarily comprises sales growth, new customers and expected synergies arising from the acquisitions.

During the year ended 31 December 2022, management performed its annual impairment assessments of goodwill, using the discounted cashflow model approach to calculate the value in use for the respective cash generating units.

For the purpose of the impairment testing, goodwill was allocated to the respective cash generating units based on the respective enterprise values.

Management has assessed that no impairment loss is required to be recognised against goodwill at the reporting date.

Following key assumptions were used in the discounted cashflow review:

- Terminal growth rate: 2 % - 2.5 % (31 December 20221: 2%)
- Inflation rate: 5.2% (31 December 2021: 2.7%)
- Discount rate: 14 % - 15.1 % (31 December 2021: 15%)

Customer relationship

These represent long term non-cancellable contracts with customers and non-contractual relationships which were acquired during the prior year (note 6) and meet the criteria for recognition as intangible assets under IAS 38.

Concession rights

In December 2018, PAL Cooling Holding LLC, subsidiary of the Company, acquired rights and obligations attached to a district cooling concessional contract relating to part of Sector 4, Reem Island Development Area, Abu Dhabi from its shareholder PAL Group of Companies LLC for AED 80 million (who concurrently acquired the same rights and obligations from Pal Technology Services LLC, a related party of the Group) to provide district cooling services to customers in a concession area developed by Tamouh. The duration of the contract is 37 years from the date of construction of the district cooling plant.

Brand name

Brand name represents future economic benefits in the form of future business linked with brand name of subsidiaries acquired (note 6) and meet the criteria for recognition as intangible assets under IAS 38.

9 INTANGIBLE ASSETS AND GOODWILL continued

Amortisation charge for the year has been allocated to the consolidated statement of profit or loss as follows:

	2022 AED'000	*2021 AED'000*
Cost of revenue (note 25)	**2,162**	1,081
General and administrative expenses (note 26)	**18,733**	5,262
	20,895	6,343

10 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

	2022 AED'000	*2021 AED'000*
Right-of-use assets:		
As at 1 January	**94,384**	-
Acquired through business combination (note 6)	**-**	92,402
Additions during the year	**42,007**	5,926
Termination of a lease	**(692)**	-
Lease modification	**31**	-
Depreciation expense	**(31,307)**	(3,944)
As at 31 December	**104,423**	94,384
Lease liabilities:		
As at 1 January	**95,730**	-
Acquired through business combination (note 6)	**-**	91,952
Additions during the year	**42,007**	5,926
Interest expense (note 22)	**6,729**	1,817
Termination of a lease	**(945)**	-
Lease modification	**31**	-
Payments	**(36,690)**	(3,965)
As at 31 December	**106,862**	95,730

Lease liabilities is analysed in the consolidated statement of financial position as follows:

Current	**36,562**	20,321
Non-current	**70,300**	75,409
	106,862	95,730

Maturity analysis of lease liabilities is disclosed in note 32.

Amortisation charge for the year has been allocated to the consolidated statement of profit or loss as follows:

	2022 AED'000	*2021 AED'000*
Cost of revenue (note 25)	**26,576**	1,711
General and administrative expenses (note 26)	**4,731**	2,233
	31,307	3,944

11 INVESTMENT IN ASSOCIATE AND JOINT VENTURE

Details of the Group's associate and joint venture are as follows:

Name of entity	*Principal activities*	*Place of incorporation and operation*	*Ownership interest*	
			2022	*2021*
Joint venture:				
Kalyon Enerji Yatirmiliari A.S ("Kalyon") (i)	Clean and renewable energy company	Turkey	**50%**	-
Associate:				
Viola Communication LLC (ii)	Communication, marketing, media and events	UAE	-	-

(i) During the year, the Group acquired 50% shareholding in Kalyon for total consideration of AED 1,852,958 thousand, out of which an amount of AED 932,371 thousand was paid, with the remaining consideration payable in 2023.

The investment in Kalyon is accounted for under the equity method of accounting. Management expects to finalize the purchase price allocation exercise with respect to the acquisition within 12 months from the date of acquisition.

(ii) During 2021, the Group acquired an additional 50% equity interest in Viola Communication LLC ("Viola"), increasing its ownership interest to 100%. As a result, Viola became a subsidiary of the Group.

Movement in investment in associate and joint venture is as follows:

	2022 ***AED'000***	*2021* *AED'000*
At 1 January		32,915
Additions during the year	**1,852,958**	
Share of loss for the year	**(14,533)**	(903)
Transferred to investment in subsidiaries (note 6.2)	**-**	(32,012)
At 31 December	**1,838,425**	-

Summarised financial information in respect of the Group's joint venture is set out below:

	2022 ***AED'000***	*2021* *AED'000*
Non-current assets	**3,483,981**	-
Current assets	**267,162**	-
Non-current liabilities	**(2,859,415)**	-
Current liabilities	**(270,392)**	-
Equity (100%)	**621,336**	-
Less: non-controlling interest	**(40,425)**	-
Equity attributable to the owner of the entity	580,911	-
Group's share of net assets (50% ownership interest)	**290,456**	-
Group carrying amount of the investment	**1,838,425**	-
Revenue	**108,685**	-
Loss for the year	**(29,066)**	-
Group's share of loss (50% ownership interest)	**(14,533)**	-

12 INVESTMENTS CARRIED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2022 AED'000	2021 AED'000
Quoted	**36,227**	38,119
Unquoted	**8,818**	30,784
	45,045	68,903

The geographical distribution of investments is as follows:

	2022 AED'000	2021 AED'000
Inside the UAE	**36,227**	38,119
Outside the UAE	**8,818**	30,784
	45,045	68,903

The investments are recorded at fair value using the valuation techniques disclosed in note 33. Movement in investment in financial assets carried at fair value through other comprehensive income is as follows:

	2022 AED'000	2021 AED'000
At 1 January	**68,903**	29,400
Acquired through business combination (note 6.1)	-	38,119
Additions during year	-	-
Change in fair value	**(23,858)**	1,384
At 31 December	**45,045**	68,903

13 INVESTMENTS CARRIED AT FAIR VALUE THROUGH PROFIT OR LOSS

	2022 AED'000	2021 AED'000
Quoted	**33,837,534**	5,350,294
Unquoted	**95,037**	83,110
	33,932,571	5,433,404

Investments carried at fair value through profit or loss are analyzed as follows:		
Non-current	**22,491,803**	-
Current	**11,440,768**	5,433,404
	33,932,571	5,433,404

The geographical distribution of investments is as follows:		
Inside the UAE	**33,676,220**	5,350,294
Outside the UAE	**256,351**	83,110
	33,932,571	5,433,404

13 INVESTMENTS CARRIED AT FAIR VALUE THROUGH PROFIT OR LOSS continued

The investments are recorded at fair value using valuation techniques disclosed in note 33. Movement in investments in financial assets carried at fair value through profit or loss is as follows:

	2022 *AED'000*	*2021* *AED'000*
At 1 January	**5,433,404**	-
Acquired through business combination (note 6.1)	-	38,356
Additions*	**11,185,397**	5,342,342
Change in fair value (note 27)	**18,095,400**	56,740
Disposals	**(781,630)**	(4,034)
At 31 December	**33,932,571**	5,433,404

During the year, shares with a fair value of AED 32,465,133 thousand, are pledged as security against borrowings (2021: nil)

* Included in additions in 2021 is an investment of AED 3,685,600 thousand contributed to the Group by a new shareholder (note 17).

14 TRADE AND OTHER RECEIVABLES

	2022 *AED'000*	*2021* *AED'000*
Trade receivables	**165,509**	159,819
Less: allowance for expected credit losses	**(35,922)**	(21,555)
	129,587	138,264
Advances to suppliers	**15,589**	24,514
Contract assets	-	17,647
Prepayments	**19,471**	15,077
Dividends receivable	**6,458**	-
Receivable under share purchase agreement*	**1,983,110**	-
Other receivables	**19,471**	11,531
	2,173,686	207,033
Less: non-current portion	**(1,647,558)**	-
	526,128	207,033

* During the year, the Group entered into an agreement to acquire shares of a listed Company. Under the provisions of the agreement, the Group is entitled to receive a guaranteed return over a period of 5 years, which shall be reduced by any dividends that may be declared and paid by the investee over the 5-year period. Accordingly, the Group recognised a non-current receivable of AED 1.94 billion on the transaction date, using a discount rate of 8%, with a corresponding deferred income. During the year, unwinding of non-current receivable amounting to AED 48 million (note 27) and amortisation of deferred income amounting to AED 117 million (note 27) were recorded in the consolidated statement of profit or loss.

14 TRADE AND OTHER RECEIVABLES

Receivable under share purchase agreement is analysed in the consolidated statement of financial position as follows:

	2022 AED'000
Current	**335,552**
Non-current	**1,647,558**
	1,983,110

Movement in allowance for expected credit losses against trade receivables during the year was as follows:

	2022 AED'000	*2021 AED'000*
Balance at 1 January	**21,555**	1,757
Acquired in business combinations	**-**	22,930
Charge (reversal) for the year	**14,367**	(3,132)
Balance at 31 December	**35,922**	21,555

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on financial assets and contract assets are estimated using a provision matrix based on the Group's historical credit loss experience and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtor operates 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.

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

	Total AED'000	*Not past due AED'000*	*<30 days AED'000*	*31-60 days AED'000*	*61-120 days AED'000*	*121-360 days AED'000*	*>360 days AED'000*
31 December 2022							
Expected credit loss rate		**6.85%**	**6.55%**	**4.56%**	**12.18%**	**17.43%**	**85.90%**
Estimated total gross carrying amount at default	**165,509**	**9,951**	**11,469**	**27,222**	**30,995**	**64,688**	**21,184**
Life time ECL	**35,922**	**682**	**751**	**1,240**	**3,774**	**11,278**	**18,197**
31 December 2021							
Expected credit loss rate		0.06%	8.22%	7.46%	13.03%	13.45%	30.73%
Estimated total gross carrying amount at default	159,819	3,459	17,985	43,991	12,618	57,759	24,007
Life time ECL	21,555	2	1,479	3,283	1,644	7,770	7,377

15 INVENTORIES

	2022	*2021*
	AED'000	*AED'000*
Finished goods	**22,147**	19,422
Spares and consumables	**797**	2,816
Raw materials	**3,254**	737
	26,198	22,975
Less: allowance for slow moving inventories	**(1,894)**	(2,584)
	24,304	20,391

Movement in allowance for slow moving inventories is as follows:

	2022	*2021*
	AED'000	*AED'000*
At 1 January	**2,584**	-
Acquired in business combinations	**-**	2,584
Reversal for the year	**(690)**	-
At 31 December	**1,894**	2,584

16 CASH AND BANK BALANCES

	2022	*2021*
	AED'000	*AED'000*
Cash on hand	**2,206**	2,526
Cash at banks	**344,237**	3,439,859
Term deposits	**686,703**	100,620
Less: allowance for expected credit loss	**(5)**	(679)
Cash and bank balances	**1,033,141**	3,542,326
Less: term deposits with an original maturity more than three months	**(200,000)**	(100,000)
Cash and cash equivalents	**833,141**	3,442,326

Term deposits are placed with commercial banks in UAE, which carry interest rate ranging from 0.84% to 5.5% per annum (2021: 0.5% to 2.25%)

17 SHARE CAPITAL

	2022	*2021*
	AED'000	*AED'000*
Authorised issued and fully paid		
11,200,000,000 shares of AED 0.25 each (31 December 2021: 11,200,000,000 shares of AED 0.25 each)	**2,800,000**	2,800,000

On 1 April 2021, the shareholders approved to increase the share capital of the Company from AED 300 thousand to AED 100,000 thousand, with a reduction of the par value per share from AED 1,000 to AED 1 and the issuance of 99,999,700 new shares.

On 30 September 2021, the Company's share capital was increased from AED 100,000 thousand to AED 2,100,000 thousand through the issuance of 2,000,000 thousand new shares, out of which 1,224,090 thousand shares were issued to a new shareholder for AED 5,519,700 thousand resulting in a share premium of AED 4,295,610 thousand. The new shareholder contributed cash of AED 1,834,100 thousand and investments with a fair value of AED 3,685,600 thousand (note 13).

On 27 October 2021, the shareholders approved to increase the share capital of the Company from AED 2,100,000 thousand to AED 2,800,000 thousand, with a reduction of the par value per share from AED 1 to AED 0.25 and the issuance of 2,800,000 thousand new shares. The new shares were issued to new shareholders, through the public offering conducted on 5 December 2021, for AED 3,108,000 thousand contributed in cash, resulting in a share premium of AED 2,408,000 thousand.

18 STATUTORY RESERVE

In accordance with United Arab Emirates Federal Law No. (32) of 2021 and the Company's articles of association, the Company has established a statutory reserve by appropriation of 10% of profit for each year until the reserve equals 50% of the share capital. This reserve is not available for distribution except as stipulated by the Law.

19 RELATED PARTY BALANCES AND TRANSACTIONS

The Group enters into transactions with companies and entities that fall within the definition of a related party as contained in the International Accounting Standard (IAS) 24 *Related Party Disclosures*.

Related parties include the Group's major Shareholders, Directors and businesses controlled by them and their families over which they exercise significant influence in financial and operating decisions making as well as key management personnel.

19 RELATED PARTY BALANCES AND TRANSACTIONS continued

19.1 Balances

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

Name	*Nature of relationship*	***2022 AED'000***	*2021 AED'000*
Due from related parties:			
Pal Technology Services LLC	Entity under common control	**22,736**	6,426
Al Ataa Investment LLC	Entity under common control	**6,769**	6,071
International Securities LLC	Entity under common control	**4,449**	313,455
PAL Group of Companies LLC	Entity under common control	**3,308**	3,308
International Holding Company PJSC	Parent Company	**2,907**	781
Q Holding PJSC	Entity under common control	**2,803**	-
Reem Developers Sole Proprietorship LLC	Entity under common control	**1,714**	-
Alpha Dhabi Holding PJSC	Entity under common control	**1,179**	186
Faris Suhail Ali Al Yebhoni	Other related party	-	6,753
TSL Properties LLC	Entity under common control	-	3,581
Trojan General contracting LLC	Entity under common control	-	232
Others	Entities under common control/ other related parties	**11,082**	2,943
		56,947	343,736
Less: allowance for expected credit loss		**(433)**	(472)
		56,514	343,264
Due to related parties:			
Kalyon Insaat Sanyi VE Ticaret A.S	Other related party	**920,587**	-
Chimera Investments LLC	Entity under common control	**14,700**	14,700
Tamouh Investments Company LLC	Entity under common control	**3,104**	3,986
RG Procurement RSC LTD	Entity under common control	**3,560**	2,900
PAL Technology services LLC	Entity under common control	**4,184**	-
Oriontek Innovation LLC	Other related party	**1,016**	-
Reem from energy Investment Services LLC	Other related party	**7,550**	-
Provis Real Estate SP LLC	Entity under common control	**2,887**	-
International Holding Company PJSC	Parent Company	-	2,094
Boudoir Interiors LLC	Entity under common control	-	1,761
Others	Entities under common control/ other related parties	**3,175**	3,053
		960,763	28,494

Movement in allowance for expected credit losses against due from related parties is as follows:

	2022 AED '000	*2021 AED '000*
Balance at 1 January	**472**	435
Acquired in business combinations	-	50
Reversal during the year	**(39)**	(13)
Balance at 31 December	**433**	472

19 RELATED PARTY BALANCES AND TRANSACTIONS continued

19.1 Balances continued

Name	*Nature of relationship*	***2022 AED'000***	*2021 AED'000*
Investments in financial assets	Entity under common control	**4,716,524**	4,203,760

Loan from related parties

	Security	***Interest rates***	***Maturity***	***2022 AED'000***	*2021 AED'000*
Related party loan 1*	Secured	5%	December 2026	**40,995**	41,001
Related party loan 2*	Unsecured	Interest free	April 2023	**7,623**	-
Related party loan 3	Unsecured	Interest free	June 2023	**25,000**	25,000
				73,618	66,001

***** Reclassified during the year from borrowings (note 22)

Disclosed in the consolidated statement of financial position as follows:

	2022 AED'000	*2021 AED'000*
Non-current portion	**29,707**	38,516
Current portion	**43,911**	27,485
	73,618	66,001

19.2 Transactions

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

	2022 AED'000	*2021 AED'000*
Revenue *(entities under common control)*	**75,125**	128,811
Cost of revenue *(entities under common control)*	**25,180**	52,563
General and administrative expenses *(entities under common control)*	**5,427**	4,029

During 2021, the Parent Company contributed an amount of AED 69,095 thousand to fund the Group's acquisitions of certain investments in financial assets.

Transactions and balances with a financial institution (other related party)

	2022 AED '000	*2021 AED '000*
Balances with a financial institution	**385,972**	3,054,807
Borrowings	**8,324,231**	205,088
Interest expense for the year	**133,918**	2,604
Drawdown	**8,076,944**	22,547
Repayment of borrowings	**89,620**	61,952

19 RELATED PARTY BALANCES AND TRANSACTIONS continued

19.3 Key management remuneration

	2022 ***AED'000***	*2021* *AED'000*
Salaries and employee benefits	**22,723**	3,896
Employees end of service benefits	**893**	326
	23,616	4,222
Remuneration for the Directors of the Company	**5,230**	-

20 MATERIAL PARTLY-OWNED SUBSIDIARIES

Financial information of subsidiaries that have material non-controlling interests is provided below:

Proportion of equity interest held by non-controlling interests:

Name	*Country of incorporation and operation*	***2022***	*2021*
Emirates Driving Company PJSC	United Arab Emirates	**51.99%**	51.99%
Omorfia Group LLC	United Arab Emirates	**49%**	49%
PAL 4 Solar Energy LLC	United Arab Emirates	**20%**	-

	2022 ***AED'000***	*2021* *AED '000*
Accumulated balances of material non-controlling interest:		
Emirates Driving Company PJSC	**493,811**	416,194
PAL 4 Solar Energy LLC	**184,795**	-
Omorfia Group LLC	**174,613**	159,335
	853,219	575,529
Profit and other comprehensive income to material non-controlling interest:		
Emirates Driving Company PJSC	**121,964**	40,281
PAL 4 Solar Energy LLC	**(4,335)**	-
Omorfia Group LLC	**19,041**	-
	136,670	40,281

The summarised financial information of these subsidiaries is provided below.

Summarised statement of profit or loss of material partly-owned subsidiaries:

	DRIVE *AED'000*	*PAL 4* *AED'000*	*Omorfia* *AED'000*
31 December 2022			
Revenue	347,512	-	360,500
Cost of revenue	(71,505)	-	(254,168)
Other income	35,735		2,670
Share of loss from a joint venture	-	(14,533)	-
General and administrative expenses	(72,320)	(7,143)	(66,165)
Finance cost	(2,949)	-	(3,978)
Profit for the year	**236,473**	**(21,676)**	**38,859**
Other comprehensive loss for the year	(1,892)	-	-
Comprehensive income for the year	**234,581**	**(21,676)**	**38,859**
Attributable to non-controlling interests	**121,964**	**(4,335)**	**19,041**

20 MATERIAL PARTLY-OWNED SUBSIDIARIES continued

Summarised statement of profit or loss of material partly-owned subsidiaries continued:

	DRIVE AED'000	*PAL 4 AED'000*	*Omorfia AED'000*
31 December 2021			
Revenue	136,859	-	-
Cost of revenue	(24,485)	-	-
Other income	13,534	-	-
General and administrative expenses	(46,938)	-	-
Finance cost	(1,496)	-	-
Profit for the year	**77,474**	**-**	**-**
Attributable to non-controlling interests	**40,281**	**-**	**-**

Summarised statement of financial position of material partly-owned subsidiaries:

	DRIVE AED'000	*PAL 4 AED'000*	*Omorfia AED'000*
31 December 2022			
Non-current assets	416,590	1,838,425	291,071
Current assets	652,820	12,044	201,216
Non-current liabilities	46,154	-	45,766
Current liabilities	73,450	941,494	90,167
Equity (100%)	**949,806**	**908,975**	**356,354**
Attributable to:			
Equity holders of parent	**455,995**	**727,180**	**181,741**
Non-controlling interest	**493,811**	**181,795**	**174,613**

	DRIVE AED'000	*PAL 4 AED'000*	*Omorfia AED'000*
31 December 2021			
Non-current assets	412,233	-	295,154
Current assets	495,188	-	133,672
Non-current liabilities	45,669	-	43,499
Current liabilities	61,229	-	60,153
Equity (100%)	**800,523**	**-**	**325,174**
Attributable to:			
Equity holders of parent	**384,329**	**-**	**165,839**
Non-controlling interest	**416,194**	**-**	**159,335**

20 MATERIAL PARTLY-OWNED SUBSIDIARIES continued

Summarised cash flow information of material partly owned subsidiaries:

	DRIVE *AED'000*	*PAL 4* *AED'000*	*Omorfia* *AED'000*
31 December 2022			
Operating	259,524	769,031	112,690
Investing	31,275	(947,380)	(17,279)
Financing	(88,996)	189,196	(29,575)
Net increase in cash and cash equivalents	**201,803**	**10,847**	**65,836**

	DRIVE *AED'000*	*PAL 4* *AED'000*	*Omorfia* *AED'000*
31 December 2021			
Operating	187,812	-	-
Investing	(104,559)	-	40,418
Financing	(93,430)	-	52,650
Net (decrease) increase in cash and cash equivalents	**(10,177)**	**-**	**93,068**

21 EMPLOYEES' END OF SERVICE BENEFITS

	2022 ***AED'000***	*2021* *AED'000*
At 1 January	**37,383**	2,626
Acquired in business combinations (note 6)	**30**	32,460
Charge for the year	**10,887**	3,641
Paid during the year	**(3,653)**	(1,344)
At 31 December	**44,647**	37,383

22 BORROWINGS

Borrowings:	***Security***	***Interest rates***	***Maturity***	***2022*** ***AED'000***	*2021* *AED'000*
Term loan 1	Secured	EIBOR + 1.85%	December 2023	**10,640**	25,431
Term loan 2	Secured	EIBOR + 1.85%	December 2024	**111,885**	137,481
Term loan 3	Secured	EIBOR + 1.85%	September 2030	**95,648**	41,607
Term loan 4	Secured	EIBOR + 1.85%	December 2027	**139,106**	154,788
Term loan 6*	Secured	Interest free	April 2023	**-**	7,623
Term loan 7	Secured	3.88%	July 2027	**6,096,956**	-
Term loan 8	Secured	3.88%	August 2025	**1,003,295**	-
Term loan 9	Secured	4.2%	August 2027	**498,448**	-
Term loan 10	Secured	EIBOR + 0.85%	September 2025	**507,360**	-
				8,463,338	366,930

22 BORROWINGS continued

(i) Term loan 1 was obtained to finance 50% of the total cost of a district cooling plant project in Abu Dhabi. The loan is repayable in 15 semi-annual instalments, starting from 31 December 2015 till 31 December 2023. The loan is secured by the notarised mortgage over the Musataha rights granted to the subsidiary in respect of district cooling plot, pledge over the equipment that has been installed at capital center - Phase 4 District Cooling Project and subordination of a loan from a related party.

(ii) Term loan 2 was obtained to finance the construction of district cooling plants. In 2016, the loan was restructured, whereby the restructured term loan is repayable in 8 annual instalments with a bullet payment of the residual amount to be paid on 31 December 2024. The restructured loan is secured through personal guarantee of a related party and mortgage of the property constructed.

(iii) Term loan 3 was obtained to finance a district cooling plant. The loan was repayable in 7 semi annual instalments of AED 4.75 million each starting from 30 June 2017 till 30 June 2020 and a bullet payment of the residual amount in December 2020. During 2020, the subsidiary renewed the facility with a total limit of AED 120 million to finance the 2nd phase of the district cooling plant, which is repayable in 32 quarterly instalments with the final maturity on 30 June 2030. The loan is secured against the mortgage of plant and machineries of district cooling plant and an irrevocable corporate guarantee of a related party covering the overall facility.

(iv) Term loan 4 loan was obtained to finance a district cooling plant. The loan is repayable in 22 quarterly instalments starting from 22 June 2022 till 22 September 2027 and a bullet payment of the residual amount on 22 December 2027. The loan is secured against mortgage of plant and machineries of the district cooling plant and an irrevocable corporate guarantee.

(v) Term loans 7,8 and 9, and 10 were obtained during the year to finance the purchase of investments. The term loans are repayable in instalments. The loans are secured against the mortgage of investments in financial assets amounting to AED 32,465,133 and the shares of a subsidiary to the Group.

* Reclassified during the year to related parties (note 19)

Movement in borrowings during the year is as follows:

	2022 ***AED'000***	*2021* *AED'000*
At 1 January	**366,930**	-
Acquired in business combinations (note 6.1)	-	390,352
Drawdowns	**8,076,944**	69,077
Reclassified to loan from related parties (note 19)	**(7,623)**	(41,001)
Transaction cost, net	**(3,671)**	95
Finance cost*	**141,301**	5,562
Repayments	**(110,543)**	(57,155)
At 31 December	**8,463,338**	366,930

* Finance cost of AED 4,718 thousand (2021: AED 2,163 thousand) was capitalised under property, plant and equipment with the remaining AED 136,583 thousand (2021: AED 3,399 thousand) being charged to finance cost in the consolidated statement of profit or loss.

22 BORROWINGS continued

Disclosed in the consolidated statement of financial position as follows:

	2022 *AED'000*	*2021* *AED'000*
Non-current portion	**8,102,301**	276,345
Current portion	**361,037**	90,585
	8,463,338	366,930

Finance cost in the consolidated statement of profit or loss consist of the following:

	2022 *AED'000*	*2021* *AED'000*
Interest on borrowings	**136,583**	3,399
Interest on lease liabilities (note 10)	**6,729**	1,817
Amortization of transaction cost	**606**	-
Bank charges	**6,163**	486
	150,081	5,702

23 TRADE AND OTHER PAYABLES

	2022 *AED'000*	*2021* *AED'000*
Trade payables	**56,049**	44,351
Advances from customers	**71,086**	56,455
Unearned revenue (i)	**66,338**	58,232
Deferred income (note 14)	**1,818,655**	-
Accruals and other payables	**117,513**	90,379
Security deposits	**26,924**	24,639
VAT payable, net	**1,557**	794
Retention payable	**17,825**	8,344
	2,175,947	283,194
Less: non-current portion	**(1,540,153)**	(108,303)
	635,794	174,891

Non-current portion consists of the following:

Unearned revenue (i)	**48,758**	49,231
Deferred income	**1,431,594**	
Advances from customers	**32,877**	34,433
Security deposits	**26,924**	24,639
	1,540,153	108,303

23 TRADE AND OTHER PAYABLES continued

(i) Unearned revenue is expected to be recognised in the future related to the performance obligation that are unsatisfied or partially unsatisfied as follows:

	2022 ***AED'000***	*2021* *AED'000*
Within one year	**17,580**	9,002
After one year but not more than 5 years	**8,701**	7,944
More than 5 years	**40,057**	41,286
	66,338	58,232

24 REVENUE

	2022 ***AED'000***	*2021* *AED'000*
Type of goods or services		
Revenue from sale of cosmetics and rendering of related personal care services	**360,500**	25,969
Revenue from consultancy, training and coaching services	**339,418**	136,859
Revenue from district cooling services	**296,324**	144,377
Revenue from media and marketing services	**121,173**	60,373
Revenue from rentals	**8,094**	4,334
	1,125,509	371,912
Timing of revenue recognition		
Revenue at a point in time	**857,935**	263,314
Revenue over time	**267,574**	108,598
	1,125,509	371,912
Geographical markets		
United Arab Emirates	**1,119,107**	371,912
Kingdom of Saudi Arabia	**6,402**	-
	1,125,509	371,912

25 COST OF REVENUE

	2022 ***AED '000***	*2021* *AED '000*
Staff cost	**217,919**	52,825
Electricity and water charges	**93,800**	39,398
Material and consumables	**123,555**	27,757
Depreciation of property, plant and equipment (note 7)	**52,061**	19,216
Royalty fees from district cooling	**14,929**	7,321
Depreciation of investment property (note 8)	**5,136**	2,568
Repair and maintenance	**4,760**	1,810
Depreciation of right-of-use assets (note 10)	**26,576**	1,711
Cost incurred on leased properties	**3,205**	1,397
Amortisation of intangible assets (note 9)	**2,162**	1,081
Others	**12,248**	6,210
	556,351	161,294

26 GENERAL AND ADMINISTRATIVE EXPENSES

	2022 *AED '000*	*2021* *AED '000*
Staff cost	**99,994**	34,480
Legal and professional fees	**20,549**	10,116
Director remuneration	**10,996**	8,817
Rent, utilities and communication	**9,862**	8,126
Depreciation of property, plant and equipment (note 7)	**15,852**	6,547
Amortisation of intangible assets (note 9)	**18,733**	5,262
Depreciation of right-of-use assets (note 10)	**4,731**	2,233
Advertising and sponsorship	**5,626**	1,031
Allowance for expected credit losses (note 14)	**14,367**	-
Others	**36,854**	5,762
	237,564	82,374

27 INVESTMENT AND OTHER INCOME

	2022 *AED'000*	*2021* *AED'000*
Change in fair value of investments carried at fair value through profit or loss (note 13)	**18,095,400**	56,740
Gain on revaluation of previously held equity interest (note 6.2)	-	40,988
Gain on disposal of property, plant and equipment	**1,133**	702
Interest and dividend income	**113,454**	209
Unwinding of discount on non-current receivable (note 14)	**47,808**	-
Amortization of deferred income (note 14)	**116,647**	-
Others	**21,526**	4,918
	18,395,968	103,557

28 BASIC EARNINGS PER SHARE

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

	2022	*2021*
Profit attributable to the owners of the Company (AED '000)	**18,425,295**	184,915
Weighted average number of shares (shares in '000)	**11,200,000**	3,267,418
Basic earnings per share for the period (AED)	**1.65**	0.06

29 CONTINGENT LIABILITIES AND COMMITMENTS

	2022 ***AED '000***	*2021* *AED '000*
Letters of guarantee	**3,718**	10,038
Letters of credit	**5,918**	1,260
Commitment of capital expenditure	**124,216**	145,318

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

30 DIVIDENDS

Dividends attributable to non-controlling interest amounting to AED 44,348 thousand was declared and paid during the year (31 December 2021: nil).

31 SEGMENT REPORTING

For operating purposes, the Group is organised into business segments as follows:

Communications includes advertisement designing, production and commercial publication printing services.

Utilities includes the installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.

Driving training includes management and development of motor vehicles driving training.

Wellness includes health, wholesale cosmetics and make-up trading, women personal care and other grooming related services.

Asset management includes investments in financial assets and financing activities related to the investments.

31 SEGMENTAL ANALYSIS continued

	Communication		*Utilities*		*Driving training*		*Wellness*		*Asset management*		*Total*	
	2022 AED'000	*2021 AED'000*	***2022 AED'000***	*2021 AED'000*	***2022 AED'000***	*2021 AED'000*	***2022 AED'000***	*2021 AED'000*	***2022 AED'000***	*2021 AED'000*	***2022 AED'000***	*2021 AED'000*
Revenue	**119,510**	60,373	**296,324**	144,377	**347,511**	141,193	**360,501**	25,969	**1,663**	-	**1,125,509**	371,912
Cost of revenue	**(79,253)**	(42,974)	**(151,056)**	(70,037)	**(70,182)**	(28,450)	**(254,169)**	(19,833)	**(1,691)**	-	**(556,351)**	(161,294)
GROSS PROFIT	**40,257**	17,399	**145,268**	74,340	**277,329**	112,743	**106,332**	6,136	**(28)**	-	**569,158**	210,618
Investment and other income	**49**	53,144	**4,817**	1,293	**35,859**	49,120	**2,670**	-	**18,352,573**	-	**18,395,968**	103,557
Share of loss from investment in associate and joint venture	**-**	(903)	**(14,533)**	-	**-**	-		-	**-**	-	**(14,533)**	(903)
Finance costs	**(612)**	(116)	**(10,928)**	(3,789)	**(4,347)**	(1,496)	**(3,978)**	(301)	**(130,216)**	-	**(150,081)**	(5,702)
General and administrative expenses	**(32,537)**	(25,887)	**(33,808)**	(5,726)	**(72,368)**	(44,370)	**(66,165)**	(6,391)	**(32,686)**	-	**(237,564)**	(82,374)
PROFIT (LOSS) FOR THE YEAR	**7,157**	43,637	**90,816**	66,118	**236,473**	115,997	**38,859**	(556)	**18,189,643**	-	**18,562,948**	225,196
	31 December 2022 AED'000	*31 December 2021 AED'000*	***31 December 2022 AED'000***	*31 December 2021 AED'000*	***31 December 2022 AED'000***	*31 December 2021 AED'000*	***31 December 2022 AED'000***	*31 December 2021 AED'000*	***31 December 2022 AED'000***	*31 December 2021 AED'000*	***31 December 2022 AED'000***	*31 December 2021 AED'000*
Segment assets	**72,854**	3,139,252	**3,259,221**	1,417,495	**432,810**	6,465,755	**623,382**	581,260	**36,817,615**	-	**41,205,882**	11,603,762
Segment liabilities	**65,631**	51,812	**1,541,463**	616,761	**119,418**	106,107	**136,527**	103,052	**9,962,136**	-	**11,825,175**	877,732

32 FINANCIAL RISK MANAGEMENT

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

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts.

There were no changes in the Group's approach to capital management during the year.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and bank balances. Total capital is calculated as 'equity' as shown in the consolidated statement of financial position plus net debt.

	2022 ***AED '000***	*2021* *AED '000*
Borrowings (note 22)	**8,463,338**	366,930
Lease liabilities (note 10)	**106,862**	95,730
Loan from a related party (note 19.1)	**73,618**	66,001
Cash and bank balances (note 16)	**(1,033,141)**	(3,542,326)
Net debt	**7,610,677**	(3,013,665)
Total equity	**28,527,488**	10,150,501
Total equity and net debt	**36,138,165**	10,150,501
Gearing ratio	**21.05%**	-

Financial risk management objectives
The Group is exposed to the following risks related to financial instruments – market risk (including foreign exchange risk, price risk and cash flow risk and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of the financial markets and seeks to optimise potential adverse effects on the Group's financial performance.

Market risk management
Foreign exchange risk
The Group does not have any significant exposure to currency risk as most of its monetary assets and liabilities are denominated in UAE Dirhams or in US Dollars, the latter being pegged to the UAE Dirham.

Price risk
The Group is exposed to equity securities price risk because of quoted investments held by the Group. The Group's quoted investment portfolio amounted to AED 33,873,761 thousand (2021: AED 5,388,413 thousand). At the reporting date if the prices of investments were 5% higher/lower with all other variables held constant, the Group's equity and profit or loss would have increased/decreased as follows:

	2022 ***AED '000***	*2021* *AED '000*
Impact on the Group's profit for the year (increase/decrease)	**1,691,877**	267,515
Impact on the Group's other comprehensive income for the year (increase/decrease)	**1,811**	1,906

32 FINANCIAL RISK MANAGEMENT continued

Market risk management continued

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's borrowings with floating interest rates. At 31 December 2022, if interest rates on the borrowings had been 100 basis points lower/higher with all other variables held constant, profit for the year would have been increased or decreased by AED 8,557 thousand (2021: AED 3,593 thousand).

Credit risk management

Credit risk is managed on Group basis, except for credit risk relating to accounts receivables balances. Each local entity is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. Individual risk limits are based on management's assessment on a case by case basis. The utilisation of credit limits is regularly monitored. The Group's policy is to place cash and cash equivalents and short terms deposits with reputable banks and financial institutions.

There are no significant concentrations of credit risk within the Group. There are policies in place to ensure that services are rendered to customers with an appropriate credit history. The Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Liquidity risk management

Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities when they fall due

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

The table below summarises the maturities of the Group's undiscounted financial liabilities at 31 December, based on contractual payment dates and current market interest rates.

	On demand AED'000	*Less than 3 months AED'000*	*3 to 12 months AED'000*	*1 to 5 years AED'000*	*More than 5 years AED'000*	*Total AED'000*
At 31 December 2022						
Borrowings	-	**172,226**	**407,778**	**8,848,547**	**65,846**	**9,494,397**
Loan from a related party	-	-	**43,911**	**35,042**	-	**78,953**
Lease liabilities	-	**11,123**	**22,843**	**54,032**	**74,612**	**162,610**
Due to related parties	-	**960,763**	-	-	-	**960,763**
Trade and other payables	-	**73,874**	-	-	-	**73,874**
Total	-	**1,217,986**	**474,532**	**8,937,621**	**140,458**	**10,770,597**
At 31 December 2021						
Borrowings	-	4,087	93,143	279,037	73,700	449,967
Loan from a related party	-	-	27,485	38,516	-	66,001
Lease liabilities	-	9,417	15,454	54,932	78,512	158,315
Due to related parties	28,494	-	-	-	-	28,494
Trade and other payables	-	52,695	-	-	-	52,695
Total	28,494	66,199	136,082	372,485	152,212	755,472

33 FAIR VALUES

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of bank balances, trade receivables, due from related parties, investments carried at fair value through other comprehensive income, investments carried at fair value through profit or loss and some other current assets. Financial liabilities consist of trade payables, due to related parties and some other current liabilities.

The fair values of financial instruments are not materially different from their carrying values.

Fair value hierarchy
The Group uses the following hierarchy for determining and disclosing the fair value of assets and liabilities by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

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

	Fair value as at			
Financial assets measured at fair value	***31 December 2022 AED'000***	*31 December 2021 AED'000*	***Fair value hierarchy***	***Valuation techniques***
Quoted equity investments – investment in financial assets	**33,873,761**	5,388,413	Level 1	Quoted bid prices in an active market
Unquoted equity investments – investment in financial assets	**103,855**	113,894	Level 3	Market approach
Assets for which fair value is disclosed				
Investment properties	**148,500**	136,700	Level 2	Market comparable method

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