Pajson Global DMCC

Separate Financial Statements
For the year ended December 31, 2023

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Grant Thornton

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Independent Auditor's Report
To the Shareholder of Pajson Global DMCC

Report on the Audit of the Separate Financial Statements

Opinion

We have audited the accompanying separate financial statements of Pajson Global DMCC ("the Company") which comprise the separate statement of financial position as at December 31, 2023, the separate statement of profit or loss and other comprehensive income, the separate statement of changes in equity, the separate statement of cash flows for the year ended December 31, 2023, and notes to the separate financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code") together with the ethical requirements that are relevant to our audit of the Company's financial statements in 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.

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

Management is responsible for the preparation and fair presentation of the Separate financial statements in accordance with IFRS and their preparation in compliance with the applicable provisions of Dubai Multi Commodities Centre Authority ("DMCCA") Company Regulations 2020 and Article of Association of the Company, and for such internal control as management determines is necessary to enable the preparation of Separatev financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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Independent Auditor's Report
To the Shareholder of Pajson Global DMCC (continued)

Report on the Audit of the Separate Financial Statements (continued)

Auditors' Responsibilities for the Audit of the Separate Financial Statements

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

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

- Identify and assess the risks of material misstatement of the separate 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 Company'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 Company'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 separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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Independent Auditor's Report
To the Shareholder of Pajson Global DMCC (continued)

Report on Other Legal and Regulatory Requirements

As required by the Dubai Multi Commodities Centre Authority ("DMCCA") Company Regulations 2020, we report that:

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

ii. The Company has maintained proper accounting records in accordance with established accounting principles;

iii. The financial information included in the separate financial statements is consistent with the books of account of the Company;

iv. The separate financial statements have been prepared and comply, in all material respects, with the applicable provisions of the Dubai Multi Commodities Centre Authority Companies Regulations 2020 and Article of Association of the Company; and

v. Based on the information that has been made available to us during our audit of the separate financial statements of the Company for the year ended December 31, 2023, nothing has come to our attention that cause us to believe that the activities undertaken by the Company and as disclosed in note 1 to these separate financial statements, are significantly different from the activities mentioned in the license issued to the Company by the DMCCA.

Grant Thornton

Grant Thornton Public Accountants P.O. Box: 1620 DUBAI-U.A.E.

GRANT THORNTON UAE

Anand Prabhu
Registration No: 5567
Dubai, United Arab Emirates

28 June 2024

Separate statement of financial position
As at December 31, 2023

	Notes	2023 AED	2022 AED
ASSETS			
Non-current assets			
Property and equipment	5	**642,789**	547,227
Investment in subsidiaries	6	**2,292,900**	3,547,302
		2,935,689	4,094,529
Current assets			
Trade and other receivables	7	**166,489,350**	301,213,462
Due from related parties	8	**59,479,254**	46,595,590
Loan due from related parties	8	**45,551,400**	351,547,110
Cash and cash equivalents	9	**35,125,113**	22,493,396
		306,645,117	721,849,558
TOTAL ASSETS		**309,580,806**	725,944,087
EQUITY			
Share capital	10	**3,900,000**	3,900,000
Shareholder's account		**1,466,009**	36,672,017
Retained earnings		**278,044,539**	629,388,876
Total equity		**283,410,548**	669,960,893
LIABILITIES			
Non-current liabilities			
Employees' end of service benefits	11	**931,039**	740,059
Bank borrowings	13	**107,111**	-
		1,038,150	740,059
Current liabilities			
Trade and other payables	12	**15,085,271**	3,603,449
Due to related parties	8	**-**	21,300,099
Bank borrowings	13	**10,046,837**	30,339,587
		25,132,108	55,243,135
Total liabilities		**26,170,258**	55,983,194
TOTAL EQUITY AND LIABILITIES		**309,580,806**	725,944,087

Pulkit Jain

Pulkit Jain
Managing Director

The accompanying notes 1 to 20 form an integral part of these separate financial statements.

Separate statement of profit or loss and other comprehensive income
For the year ended December 31, 2023

	Notes	2023 AED	2022 AED
Revenue	14	**690,311,601**	1,449,934,440
Cost of revenue	15	**(604,986,822)**	(1,279,390,989)
Gross profit		**85,324,779**	170,543,451
Administrative and selling expenses	16	**(35,559,048)**	(73,022,426)
Other income	17	**848,213**	12,116
Operating profit		**50,613,944**	97,533,141
Finance cost	13	**(1,883,999)**	(1,415,613)
Profit for the year		**48,729,945**	96,117,528
Other comprehensive income		**-**	-
Total other comprehensive income for the year		**48,729,945**	96,117,528

Pajson Global DMCC
Separate Financial Statements

Separate statement of changes in equity
For the year ended December 31, 2023

	Share capital AED	Shareholder's account AED	Retained earnings AED	Total equity AED
Balance as at January 01, 2022	3,900,000	10,407,146	533,271,348	547,578,494
Net movement in shareholder's account	-	26,264,871	-	26,264,871
Total comprehensive income for the year	-	-	96,117,528	96,117,528
Balance as at December 31, 2022	3,900,000	36,672,017	629,388,876	669,960,893
Balance as at January 01, 2023	**3,900,000**	**36,672,017**	**629,388,876**	**669,960,893**
Dividend (note 10.1)	**-**	**-**	**(400,074,282)**	**(400,074,282)**
Net movement in shareholder's account	**-**	**(35,206,008)**	**-**	**(35,206,008)**
Total comprehensive income for the year	**-**	**-**	**48,729,945**	**48,729,945**
Balance as at December 31, 2023	**3,900,000**	**1,466,009**	**278,044,539**	**283,410,548**

The accompanying notes 1 to 20 form an integral part of these separate financial statements.

Separate statement of cash flows

For the year ended December 31, 2023

	Notes	2023 AED	2022 AED
OPERATING ACTIVITIES			
Profit for the year		**48,729,945**	96,117,528
Adjustment for non-cash items:			
Depreciation on property and equipment	5	**91,536**	100,736
Expected credit loss for the year	16	**185,639**	-
Employees' end of service benefits – *net*	11	**190,980**	135,928
Finance costs		**1,883,999**	1,415,613
Other income	17	**(848,213)**	-
Operating cash flows before changes in working capital		**50,233,886**	97,769,805
Net changes in working capital			
Trade and other receivables		**134,538,473**	(118,628,746)
Due from related parties		**(12,883,664)**	26,554,051
Trade and other payables		**11,481,822**	(20,646,582)
Due to related parties		**(21,300,099)**	47,564,970
Net cash generated from operating activities		**162,070,418**	32,613,498
INVESTING ACTIVITIES			
Disposal/(Acquisition) of investment in subsidiaries	6	**1,895,980**	(1,860,602)
Additions to property and equipment	5	**(187,098)**	(48,887)
Interest received from bank	17	**206,635**	-
Net cash generated from/(used in) investing activities		**1,915,517**	(1,909,489)
FINANCING ACTIVITIES			
Divided paid during the year	10.1	**(400,074,282)**	-
Movement in loan provided to related parties		**305,995,710**	(37,106,201)
Repayment of bank borrowings		**(18,109,683)**	(31,731,662)
Finance cost paid		**(1,883,999)**	(1,415,613)
Movement in shareholder's account		**(35,206,008)**	-
Vehicle loan received during the year		**142,679**	-
Net cash used in financing activities		**(149,135,583)**	(70,253,476)
Net increase/(decrease) in cash and cash equivalents during the year		**14,850,352**	(39,549,467)
Cash and cash equivalents at the beginning of the year		**10,263,492**	49,812,959
Cash and cash equivalents as at the end of year	9	**25,113,844**	10,263,492

The accompanying notes 1 to 20 form an integral part of these separate financial statements.

1 Legal status and nature of operations

Pajson Global DMCC (the "Company") was incorporated in Dubai, United Arab Emirates ('UAE') as a limited liability Company and the address of the registered office of the Company is Unit AU-33-B-02, Gold (AU) Tower, Plot number JLT-PH1-13A, Jumeirah Lakes Towers, P.O. Box 634280, Dubai, UAE. The Company was registered with the Dubai Multi Commodities Centre ("DMCC") on August 13, 2014, under registration number DMCC34285.

The Company is wholly owned by Pajson Global Holdings Limited which is the Parent Company and Mr. Pulkit Jain, the Managing Director of the Company, is the ultimate beneficial owner of the Company.

The principal activities of the Company include trading in grains, cereals and legumes trading, nuts trading, sugar trading, basic non-ferrous metal products trading, spices trading, industrial plant equipment and spare parts, metal alloys, metal ores and ship chartering.

These separate financial statements for the year ended December 31, 2023, were approved by the Managing Director on June 28, 2024.

2 Basis of preparation and statement of compliance

2.1 Presentation on a stand-alone basis

These separate financial statements have been prepared as permitted by International Accounting Standards (IAS) 27 - *Separate Financial Statements*, which requires investments in subsidiaries to be accounted for under the cost method. In addition, the consolidated financial statements of the Parent Company and its subsidiaries shall be separately prepared and available at the registered office of the Parent Company.

2.2 Statement of compliance

These separate financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB), Article of Association and Dubai Multi Commodities Centre Authority Company Regulations 2020 ("DMCCA").

2.3 Implementation of UAE Corporation Tax Law and application of IAS 12 Income Taxes

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

As the Company's accounting year ends on December 31, accordingly the effective implementation date for the Company will start from January 1, 2024, to December 31, 2024, with the first return to be filed on or before September 30, 2025. The Corporate Tax Law confirms the rate of 9% to be applied to taxable income exceeding AED 375,000. As per the Company's assessment, there is no material deferred tax impact on account of the CT Law in the Company financial statements for the year ended December 31, 2023.

3 Standards, interpretations and amendments to existing standards

3.1 Standards, interpretations and amendments to existing standards that are effective in 2023 and adopted by the Company

Following are relevant new amendments to existing standards were issued by the IASB, which have been assessed by management and are not deemed to be applicable to the Company and as such have not been adopted during the year:

- Deferred tax related to Assets and Liabilities arising from a single transaction (Amendments to IAS 12)
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- Definition of Accounting Estimates (Amendments to IAS 8); and
- International Tax Reform—Pillar Two Model Rules (Amendments to IAS 12).

These amendments do not have a significant impact on these consolidated financial statements and therefore the disclosures have not been made.

3.2 Standards, interpretations and amendments to existing standards that are not yet effective and have not been adopted early by the Company

At the date of authorisation of these consolidated financial statements, several new, but not yet effective, standards and amendments to existing standards, and interpretations have been published by the IASB. None of these standards or amendments to existing standards have been adopted early by the Company. These are as follows:

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)
- Non-current Liabilities with Covenants (Amendments to IAS 1)
- Lack of Exchangeability (Amendments to IAS 21)

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New standards, amendments and interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Company's financial statements.

4 Material accounting policies

4.1 Overall considerations

The significant accounting policies have been applied consistently and these separate financial statements have been prepared using the measurement bases specified by IFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the following accounting policies:

4.2 Basis of preparation

The Company's separate financial statements have been prepared on an accrual basis and under the historical cost convention. All the amounts in the financial statements have been rounded off to nearest AED.

4 Material accounting policies (continued)

4.3 Foreign currency translation

Functional and presentation currency

These separate financial statements are presented in United Arab Emirates Dirham (AED), which is the Company's functional and presentation currency.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at period -end exchange rates are recognised in profit or loss. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

4.4 Property and equipment

Property and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such costs include cost of replacing part of the property and equipment and borrowing cost for long-term construction projects if the recognition criteria are met. Subsequent costs are included in the assets 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 Company and the cost of the item can be measured reliably.

When significant parts of property and equipment are required to be replaced in intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the property and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the separate statement of profit or loss and other comprehensive income as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation is calculated on a straight-line basis over the estimated useful lives of assets as follows:

	Useful life in year
Furniture and fixtures	5
Office equipment	5
Motor vehicles	5-6

An item of property and equipment is derecognized upon disposal or when no future benefits are expected to arise from the continued use of asset. The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the separate statement of profit or loss and other comprehensive income.

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

4 Material accounting policies (continued)

4.5 Investment in a subsidiaries

Investment in subsidiaries are accounted for in these separate financial statements of the Company using the "cost-method" in accordance with International Accounting Standard (IAS) 27 - Separate Financial Statements, under which such investments are accounted for at cost less any accumulated impairment, if any.

4.6 Financial instruments

Recognition and derecognition

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

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost;
- fair value through profit or loss (FVTPL); and
- fair value through other comprehensive income (FVOCI).

Company's financial assets include trade and other receivable, amounts due from related parties, loan due from related parties and cash at bank.

In the periods presented the Company does not have any financial assets categorised as FVOCI or FVTPL.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

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

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and other receivables, amounts due from related parties and loan due from related parties fall into this category of financial instruments.

4 Material accounting policies (continued)

4.6 Financial instruments (continued)

Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the Company first identifying a credit loss event. Instead the Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:
- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1'); and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').
- 'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses are recognised for the second and third category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables

The Company makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Company assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been Compared based on the days past due. Refer to note 17 under credit risk analysis for a detailed analysis of how the impairment requirements of IFRS 9 are applied.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the separate statement of financial position when and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Write-off policy

The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

4 Material accounting policies (continued)

4.6 Financial instruments (continued)

Financial liabilities

The Company's financial liabilities include trade and other payables, due to related parties, bank borrowings and bank overdraft.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortized cost using the effective interest method. All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

4.7 Capital management policies and procedures

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize Shareholder's value.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. No changes were made in the objectives, policies or processes during the year ended December 31, 2023. Capital comprises of share capital, shareholder' account and retained earnings and is measured of AED 283,410,548 as at December 31, 2023 (2022: AED 669,960,893)

4.8 Employees' end of service benefits

A provision for employees' end of service benefits is made for the full amount due to employees for their periods of service up to the reporting date in accordance with the applicable law and is reported as separate line item under non-current liabilities. The Company operated an unfunded gratuity scheme covering all eligible employees completing the minimum qualifying period of service as specified in U.A.E Labour Law.

The provision for staff terminal benefit is based on the liability that would arise if the employment of all the employees was terminated at the end of the reporting period.

4.9 Revenue recognition

IFRS 15 Revenue from Contracts with Customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found across several Standards and Interpretations within IFRSs. It establishes a new five-step model, explained below, that will apply to revenue arising from contracts with customers.

Step 1: Identify the contract with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise revenue as and when the Company satisfies a performance obligation

4 Material accounting policies (continued)

4.9 Revenue recognition (continued)

The Company recognises revenue over time if any one of the following criteria is met:-

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
- The Company's performance creates or enhances an asset that the customer controls as is the asset is created or enhanced; or
- The Company's performance does not create an asset with an alternative use to the Company, and the Company has an enforceable right to payment for performance obligations completed to date.

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

When the Company satisfies a performance obligation by delivering the promised goods and services, it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised, this gives rise to a contract liability. Revenue is recognised in these separate financial statements to the extent that it is probable that the economic benefits will flow to the Company and the revenue and costs, if and when applicable can be measured reliably.

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

Revenue from trading activities

As part of the impact assessment exercise, the Company has concluded that sales are recognised when control of the products has transferred, being when the products are delivered to the customers, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the product has been shipped to the customer,, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the product in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied. Therefore, it meets the criteria to recognise revenue at a point in time.

Revenue from service activities

As part of the impact assessment exercise, the Company has concluded that revenues are recognised when the chartered party agreement is signed and stamped by charterer and shipper. When the Company enters into the contract with charterer, the contract becomes binding to render and receive the services through chartered party agreement, and there is no unfulfilled obligation that could affect the shipper's acceptance of the services. Therefore, it meets the criteria to recognise revenue at a point in time."

4 Material accounting policies (continued)

4.10 Administrative and selling expense

Operating expenses are recognised in statement of profit or loss and other comprehensive income upon utilisation of the service or as incurred.

4.11 Finance income and finance expense

Finance income includes interest income on funds invested and foreign exchange gains or losses that are recognised in the separate statement profit or loss and other comprehensive income. Interest income is recognised as it accrues, using the effective interest method.

Finance expense comprises bank charges and interest expense which are recognised in the separate statement of profit or loss and other comprehensive income as it accrues. Foreign currency gains and losses are reported on net basis as either finance income or finance expense depending upon whether foreign currency movements are in a net gain or net loss position.

4.12 Cash and cash equivalents

For the purpose of the separate statement of cash flows, cash and cash equivalents consist of cash in hand and with bank with an original maturity of three months or less, net of outstanding bank overdrafts, if any.

4.13 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and 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 reporting date, 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.

4.14 Contingencies

Contingent liabilities are not recognised in the separate financial statements. These are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognised in the separate financial statements but disclosed when an inflow of economic benefits is probable.

4.15 Management estimates in applying accounting policies

The preparation of the Company's separate financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. Management is required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources.

4 Material accounting policies (continued)

4.15 Management estimates in applying accounting policies (continued)

The judgments, estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant, including expectations of future events that are believed to be reasonable under the circumstances. However, the resulting accounting estimates may differ from actual results. The estimates and assumptions pose a risk of causing adjustment to the carrying amounts of assets and liabilities within the next financial year. The Company based its assumptions and estimates on parameters available when the separate financial statements were prepared.

However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Company.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised and in any future period affected. Significant area of estimate and judgement for the Company includes:

Estimates

Useful lives of depreciable assets
The Company's management determines the estimated useful lives of property and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset, physical wear and tear, technical or commercial obsolescence. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

Impairment losses on receivables, due from related parties and loan due from related parties
The Company's reviews its trade receivables, due from related parties and loan due from related parties to assess impairment at least on an annual basis. The Company's credit risk is primarily attributable to its trade receivables. In determining whether an impairment loss should be recorded in the profit or loss, the Company's makes judgements as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows. Accordingly, an allowance for impairment is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The Company's recognises loss allowance for ECLs on financial assets measured at amortised cost. ECLs are a probability weighted estimate of credit losses. ECL computation uses historical trends and a forward-looking element to compute percentage allowance to be recorded as impairment loss on trade receivables. Should any of these input estimates vary, the profit or loss and financial position of the following year(s) would be significantly impacted.

4 Material accounting policies (continued)

4.15 Management estimates in applying accounting policies (continued)

Estimates (continued)

Impairment of non-financial assets
An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in arm's length transactions of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested.

The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Notes to the separate financial statements (continued)
For the year ended December 31, 2023

5 Property and Equipment

	Furniture and fixtures AED	Office equipment AED	Motor vehicles AED	Total AED
2023				
Cost				
Balance as at January 1, 2023	**536,237**	**292,656**	**937,305**	**1,766,198**
Additions	**-**	**-**	**187,098**	**187,098**
Balance as at December 31, 2023	**536,237**	**292,656**	**1,124,403**	**1,953,296**
Accumulated depreciation				
Balance as at January 1, 2023	**450,519**	**226,231**	**542,221**	**1,218,971**
Charge for the year	**17,143**	**13,284**	**61,109**	**91,536**
Balance as at December 31, 2023	**467,662**	**239,515**	**603,330**	**1,310,507**
Carrying amount as at December 31, 2023	**68,575**	**53,141**	**521,073**	**642,789**
Cost				
Balance as at January 1, 2022	536,237	292,656	888,418	1,717,311
Additions	-	-	48,887	48,887
Balance as at December 31, 2022	536,237	292,656	937,305	1,766,198
Accumulated depreciation				
Balance as at January 1, 2022	429,090	209,626	479,519	1,118,235
Charge for the year	21,429	16,605	62,702	100,736
Balance as at December 31, 2022	450,519	226,231	542,221	1,218,971
Carrying amount as at December 31, 2022	85,718	66,425	395,084	547,227

6 Investment in subsidiaries

Name	Country of incorporation	Date of acquisition	Principal activity
Premier Overseas Exim Limited	Nigeria	September 06, 2019	Agro-trading
Pajson Agro Trading Limited	Ivory cost	March 05, 2021	Agro-trading
Pajson Investment Limited	Ghana	April 06, 2016	Warehousing
STE Global Commerce SARL	Benin	November 25, 2019	Agro-trading
STE Insta Trading SARL	Benin	February 14, 2020	Agro-trading

Details of legal and beneficial owner of investment in subsidiaries are as follows

Name	Legal ownership		Beneficial ownership	
	2023	2022	**2023**	2022
Premier Overseas Exim Limited	**99.9%**	99.9%	**99.9%**	99.9%
Pajson Agro Trading Limited	**100%**	100%	**100%**	100%
Pajson Investment Limited	**100%**	100%	**100%**	100%
STE Global Commerce SARL	**99.0%**	99.0%	**-**	99.0%
STE Insta Trading SARL	**99.5%**	99.5%	**-**	99.5%

6 Investment in subsidiaries (continued)

Total investment in subsidiaries as at December 31, 2023 is as follow;

	2023 AED	2022 AED
Pajson Investment Limited	**1,860,602**	1,860,602
Pajson Agro Trading Limited	**330,358**	330,358
Premier Overseas Exim Limited	**101,940**	101,940
STE Global Commerce SARL (refer (i) below)	**-**	1,241,643
STE Insta Trading SARL (refer (i) below)	**-**	12,759
	2,292,900	3,547,302

During the year 2023, the management had decided transfer the beneficial shareholding in STE Global Commerce SARL and STE Insta Trading SARL and the consideration was settled through owner's account. The Company has recorded income on transfer amounting to AED 641,578. Refer note 17.

7 Trade and other receivables

	2023 AED	2022 AED
Financial assets		
Trade receivables	**162,143,423**	297,676,090
Less: Allowance for expected credit losses	**(501,243)**	(315,604)
	161,536,680	297,360,486
Other receivables	**1,901,564**	1,969,375
	163,543,744	299,329,861
Non-financial assets		
Advances to suppliers	**2,945,606**	1,883,601
	166,489,350	301,213,462

The movement in the allowance for credit loss during the year was as follows:

	2023 AED	2022 AED
At January 01	**315,604**	315,604
Charge for the year	**185,639**	-
At December 31	**501,243**	315,604

8 Related party balances and transactions

The Company, in the ordinary course of business, entered into a variety of transactions at agreed terms and conditions, with companies, entities or individuals that fall within the definition of related party as contained in *IAS 24: Related Party Disclosures*. Related parties comprise the Company's major shareholders, directors and entities related to them, companies under common ownership and/or common management and control, and key management personnel.

Related parties represent shareholder, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Company's management. The Company entered into the following significant transactions at the agreed terms and conditions with related parties in the ordinary course of business.

8 Related party balances and transactions (continued)

Due from related parties	2023 AED	2022 AED
Subsidiaries		
STE Insta Trading S.A.R.L - Incorporated in Benin	-	167,289
Premier overseas Exim Ltd - Incorporated in Nigeria	**9,068,259**	18,499,626
	9,068,259	18,666,915
Affiliates		
Kiara Rice Mill - Incorporated in Nigeria	**25,906,714**	20,076,772
The Priority Aluminum Limited - Incorporated in Nigeria	**4,027,977**	7,851,903
Pack-it Packaging Limited - Incorporated in Nigeria	**9,230,495**	-
Pajson Agro India Private Limited - Incorporated in India	**11,245,809**	-
	50,410,995	27,928,675
	59,479,254	46,595,590

Loan due from related parties:	2023 AED	2022 AED
Key management personnel – Pulkit Jain	**45,551,400**	-
Affiliates:s		
Kiara Petroleum FZE - Incorporated in UAE*	-	130,925,665
Pearl Universal Impex Limited - Incorporated in Nigeria*	-	35,256,636
Chakravati Shipping INC - Incorporated in Marshall Island*	-	32,550,464
Parvraj Shipping INC - Incorporated in Marshall Island*	-	39,230,218
Astra International - Incorporated in UAE*	-	3,048,561
PJS Agro Farm Limited - Incorporated in Nigeria*	-	5,783,456
Parnav Limited - Incorporated in UAE*	-	11,400
Paras Shipping Incorporation - Incorporated in Marshall Island*	-	60,934,225
Chandrakant Shipping Incorporation - Incorporated in Marshall Island*	-	43,798,962
Padam Shipping Incorporation - Incorporated in Panama*	-	2,386
Pranay Shipping Incorporation - Incorporated in Marshall Island*	-	5,137
	45,551,400	351,547,110

The amounts outstanding are unsecured, interest free and will be settled in cash. No guarantees have been received or given against these loans due from related parties. No expenses have been recognized during the year for bad or doubtful debts in respect of these balances.

* During the year, the Company has transferred 100% of these balances to the Parent Company on the basis of agreement entered into with the shareholder amounting to AED 400,074,282. (Refer note 10.1)

Notes to the separate financial statements (continued)

For the year ended December 31, 2023

8 Related party balances and transactions (continued)

Due to related parties:

	2023 AED	2022 AED
Paras Shipping INC - Incorporated in Marshall Island	-	14,246,862
Pajson Global Holdings Limited - Incorporated in UAE	-	2,821,365
Chandrakant Shipping Incorporation - Incorporated in Marshall Island	-	1,880,832
Chakravati Shipping Incorporation - Incorporated in Marshall Island	-	1,175,520
Parvraj Shipping Incorporation - Incorporated in Marshall Island	-	1,175,520
	-	21,300,099

Significant transactions with related parties

	2023 AED	2022 AED
Revenue:		
Subsidiaries		
STE City Benin SARL - Incorporated in Benin	**47,259,740**	-
	47,259,740	-
Affiliate		-
Kiara Rice Mills - Incorporated in Nigeria	**17,175,565**	18,646,524
The Priority Aluminum Limited - Incorporated in Nigeria	**9,889,913**	9,118,858
Pack-it Packaging Ltd - Incorporated in Nigeria	**9,230,495**	-
Pajson Agro India Private Limited - Incorporated in India	**12,657,349**	-
	48,953,322	27,765,382

Cost of revenue:	2023 AED	2022 AED
Subsidiaries and affiliates		
Premier overseas Exim Limited - Incorporated in Nigeria	**99,969,537**	30,777,476
STE Insta Trading S.A.R.L - Incorporated in Benin	-	39,308,536
Chakravati Shipping INC - Incorporated in Marshall Island	**18,900,158**	26,816,550
Parvraj Shipping INC - Incorporated in Marshall Island	**19,631,184**	26,816,550
Paras Shipping INC - Incorporated in Marshall Island	-	14,246,862
Chandrakant Shipping INC - Incorporated in Marshall Island	-	1,880,832
	138,500,879	139,846,806

Compensation of key management personnel:		
Salaries and wages	**18,000,000**	60,370,000
End of service benefits	**252,954**	221,621
	18,252,954	60,591,621

9 Cash and cash equivalents

	2023 AED	2022 AED
Cash in hand	**5,309,933**	6,250,051
Cash at banks *	**29,815,180**	16,243,345
	35,125,113	22,493,396

* This includes interest bearing short deposits maintained with commercial bank in UAE with interest rates ranging 4.3%-5% (2022: 4.3%-5%)

9 Cash and cash equivalents (continued)

Cash and cash equivalents for the purpose of separate statement of cash flow are as follow:

	2023 AED	2022 AED
Cash and bank balances	**35,125,113**	22,493,396
Bank overdraft	**(10,011,269)**	(12,229,904)
	25,113,844	10,263,492

Bank overdraft has the interest rates of 3.5% per annum plus 3 months LIBOR with a minimum floor of 4.5%.

10 Share capital

	2023 AED	2022 AED
Authorised, issued and fully paid up capital		
3,900 ordinary shares of AED 1,000 each	**3,900,000**	3,900,000

10.1 Dividend

During the year, the Company has declared dividend amounting to AED 102,583 per share aggregating to be AED 400,074,282 (2022: AED nil) which was settled against the loan due from related parties which have been transferred to the Ultimate Parent Company. (Refer note 8)

11 Employees' end of service benefits

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

	2023 AED	2022 AED
At January 01	**740,059**	604,131
Charge for the year	**205,484**	148,248
Write back of provision	**(14,504)**	(12,320)
At December 31	**931,039**	740,059

12 Trade and other payables

	2023 AED	2022 AED
Financial liabilities:		
Trade payables	**13,307,426**	2,460,805
Other payables	**1,660,325**	1,025,123
	14,967,751	3,485,928
Non-Financial liabilities:		
Accrued expenses	**117,520**	117,521
	117,520	117,521
	15,085,271	3,603,449

13 Bank Borrowings

	2023 AED	2022 AED
Bank overdraft (refer note 9)	**10,011,269**	12,229,904
Vehicle loan (refer (i) below)	**142,679**	-
Trust receipts (refer (ii) below)	**-**	18,109,683
	10,153,948	30,339,587

Following the classification of the bank borrowings between current and non current portion at the reporting date.

	2023 AED	2022 AED
Non-current portion*	**107,111**	-
Current portion	**10,046,837**	30,339,587
	10,153,948	30,339,587

	2023 AED	2022 AED
Interest expense on bank overdraft	**439,672**	321,412
Interest expense trust receipts	**1,444,327**	1,094,201
	1,883,999	1,415,613

* *Represents the non-current portion of the vehicle loan obtain.*

i. The Company has obtained the vehicle from a commercial bank in UAE to purchase the vehicle for use in the Company's operation.

ii. Trust receipts are part of the overall credit facility obtained from commercial banks in UAE with a total credit limit of AED 64,500,000. Interest expense on trust receipts was 3 Month EIBOR + 3.50% margin with minimum floor (ranging from 4.5% to 5.65%). The facility is secured by a collateral against the Company's receivables, personal guarantee and mortgage over personal properties of the Managing Director and his family. The Company has not utilized the facility at the reporting date.

14 Revenue

	2023 AED	2022 AED
Revenue recorded at point in time:		
Revenue from trading activities	**595,327,099**	1,113,454,177
Revenue from service activities	**94,984,502**	336,480,263
	690,311,601	1,449,934,440
Geographical location of revenue:		
Within United Arab Emirates	**66,124,087**	126,211,930
Outside United Arab Emirates	**624,187,514**	1,323,722,510
	690,311,601	1,449,934,440

Notes to the separate financial statements (continued)

For the year ended December 31, 2023

15 Cost of revenue

	2023 AED	2022 AED
Cost of revenue – commodities	**516,529,490**	939,005,305
Direct expenses – commodities	**16,466,478**	50,047,422
Direct expenses – service activities	**71,990,854**	290,338,262
	604,986,822	1,279,390,989

16 Administrative and selling expenses

	2023 AED	2022 AED
Staff costs	**31,183,971**	66,897,607
Legal and professional charges	**1,707,586**	320,857
Bank charges	**607,520**	3,282,239
Travelling expenses	**528,965**	1,010,633
Repairs and maintenance	**366,845**	11,705
Communication and utilities	**338,548**	196,516
Office expenses	**406,948**	1,017,718
Expected credit loss for the year	**185,639**	-
Selling expenses	**115,130**	74,027
Depreciation (note 5)	**91,536**	100,736
Printing and stationery	**16,276**	19,107
Others	**10,084**	91,281
	35,559,048	73,022,426

17 Other income

	2023 AED	2022 AED
Income from disposal of subsidiary (note 6)	**641,578**	-
Interest income	**206,635**	12,116
	848,213	12,116

18 Financial instruments risks

Risk management policies and objectives

The Company is exposed to various risks in relation to financial instruments. The Company's financial assets and liabilities by category are summarised in Note 4.6. The main types of risks are market risk, credit risk and liquidity risk.

The Company's risk management is coordinated at senior management level, in close cooperation with the operating management, and the focus is placed on to actively secure the Company's short to medium-term cash flows by minimising the exposure to volatile financial markets.

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Company is exposed are described below.

18 Financial instruments risks

18.1 Market risk analysis (continued)

The Company is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which result from both its operating and investing activities.

Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. There are no significant exchange rate risks as substantially all financial assets and financial liabilities are denominated in Arab Emirates Dirhams (AED) or United States Dollars (USD) to which the AED is pegged.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Company is exposed to interest rate risk with respect to its borrowings. The Company's borrowings are based on combination of fixed and variable rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings. Positions are monitored regularly to ensure positions are maintained within established limits. The Company does not have any off-balance sheet financial instrument to manage the interest rate risk. As at the end of the year, the interest rate profile of the Company's financial liabilities is disclosed in the following table.

	2023 AED	2022 AED
Sources of the sensitivity analysis		
Bank borrowings (note 13)	**10,153,948**	30,339,587

The table shown below illustrates the sensitivity of profit to a reasonably possible change in interest rates of ±100 basis points (December 31, 2022: ±100 basis points). This change is considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates provided that all other variables are held constant.

	Impact on statement of profit or loss and other comprehensive income	
	AED	**AED**
	+100 bps	**-100 bps**
December 31, 2023	101,539	(101,539)
December 31, 2022	303,396	(303,396)

18.2 Credit risk analysis

The credit risk is managed on a group basis based on the Company's credit risk management policies and procedures.

The credit risk in respect of cash balances held with banks and deposits with banks are managed via diversification of bank deposits, and are only with major reputable financial institutions.

18 Financial instruments risks (continued)

18.2 Credit risk analysis (continued)

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk from its operating activities primarily from principal financial assets, which includes cash and cash equivalents, trade and other receivables, loan due from related parties and due from related parties.

The Company continuously monitors the credit quality of customers based on a credit rating scorecard. Where available, external credit ratings and/or reports on customers are obtained and used. The Company's policy is to deal only with credit worthy counterparties. The credit terms for customers as negotiated with customers are subject to an internal approval process which considers the credit rating scorecard. The ongoing credit risk is managed through regular review of ageing analysis, together with credit limits per customer.

The Company is exposed to credit risk on its receivable balances as follows:

	2023 AED	2022 AED
Trade and other receivables (Note 7)	**163,543,744**	299,329,861
Due from related parties (Note 8)	**59,479,254**	46,595,590
Loan due from related parties (Note 8)	**45,551,400**	351,547,110
Cash at bank (Note 9)	**29,815,180**	16,243,345
	298,389,578	713,715,906

The following policies and procedures are in place to mitigate the Company's exposure to credit risk:

Trade and other receivables

The Company applies the IFRS 9 simplified approach in measuring ECL which uses a lifetime expected loss allowance for all trade receivables and other receivables. To measure the expected credit losses, trade and other receivables have been grouped based on shared credit risk characteristics and the days past due (age buckets). The Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the trade receivables. The Company has considered forward looking information available in assessing the expected credit losses. Accordingly, based on the information available and history of nil default from customer, no additional expected credit loss has been recognised during the year.

The following table shows the expected credit losses for trade receivables in accordance with the simplified approach set out in IFRS 9:

	Not due or impaired	Due and impaired			
	Current days AED	**Less than 90 days AED**	**90-180 days AED**	**>180 days AED**	**Total AED**
December 31, 2023					
Expected credit loss rate	**0.0006%**	**0.025%**	**0.388%**	**10%**	**0.0031%**
Gross carrying amount	**49,232,818**	**23,235,944**	**88,138,806**	**1,535,855**	**162,143,423**
Expected credit loss	**308**	**5,783**	**341,567**	**153,585**	**501,243**
December 31, 2022					
Expected credit loss rate	0.0010%	0.0145%	0.3194%	-	0.1060%
Gross carrying amount	69,622,650	135,625,276	92,428,164	-	297,676,090
Expected credit loss	720	19,664	295,220	-	315,604

18 Financial instruments (continued)

18.2 Credit risk analysis (continued)

Due from related parties and loan due from related parties
Due from related parties is not considered to represent significant credit risk because amounts due from related parties are from the Companies owned by the same ultimate shareholder and therefore do not carry any significant risks of default.

Cash and bank
With respect to exposures with banks, the Company seeks to limit its credit risk with regard to bank balances by dealing only with reputable banks. The management does not expect any losses from non-performance by these counterparties.

Management is satisfied that this concentration of credit risk will not result in any financial loss to the Company.

The amount that best represents maximum credit risk exposure on financial assets at the end of the reporting period, in the event counter parties fail to perform their obligations generally approximates their carrying value. Trade receivables, due from related parties and balances with banks are not secured by any collateral.

18.3 Liquidity risk

Liquidity risk is that the Company might be unable to meet its obligations. The Company manages its liquidity needs by monitoring payments for financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The management considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources.

The Company's non-derivative financial liabilities have contractual maturities as summarized below:

	Payable on demand AED	Within 1 year AED	1 to 5 years AED	5 years and above AED	Carrying Amount AED
At 31 December 2023					
Trade and other payables (Note 12)	**-**	**15,085,271**	**-**	**-**	**15,085,271**
Bank borrowings - *including interest* (Note 13)	**10,011,269**	**149,100**	**-**	**-**	**10,160,369**
	10,011,269	**15,234,371**	**-**	**-**	**25,245,640**
At 31 December 2022					
Trade and other payables (Note 12)	-	3,485,928	-	-	3,485,928
Due to related parties (Note 8)	-	21,300,099	-	-	21,300,099
Bank borrowings - *including interest* (Note 13)	31,154,523	-	-	-	31,154,523
	31,154,523	24,786,027	-	-	55,940,550

19 Fair value measurement

All the financial assets and liabilities of the Company are carried at amortised cost and none of the non-financial assets and liabilities have been fair valued. Therefore, the fair value hierarchy disclosure which requires a three-level category of fair value is not disclosed because it does not have significant disclosure impact to the separate financial statements.

20 Reclassification of comparative information

Certain comparative balances information has been reclassified in order to present a better presentation in the current year's financial statements.