



**Grant Thornton**

Al-Qatami, Al-Aiban & Partners

Financial statements and independent auditor's report

**Ahl Al Khaleej General Trading and Contracting Company**

**Limited Partnership Company**

**Abdul Mohsen Ibrahim Al Anzi and Partners**

**Kuwait**

31 December 2024

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## Independent auditor's report

To the Partners of  
Ahl Al Khaleej General Trading and Contracting Company – Limited Partnership Company  
Kuwait

### Report on audit of the financial statements

#### Opinion

We have audited the financial statements of Ahl Al Khaleej General Trading and Contracting Company – Kuwait Limited Partnership Company (“the Company”), which comprise the statement of financial position as at 31 December 2024, and statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

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

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (“ISAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code), 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.

#### Other matter

The financial statements of the Company for the year ended 31 December 2023 were audited by another auditor who expressed an unqualified opinion on those financial statements on 24 July 2024. Our engagement letter did not include performing any audit, review or any other procedures on the financial statements for the year ended 31 December 2023. Accordingly, we do not express an opinion or any other form of assurance on the financial statements for the year ended 31 December 2023.

#### Responsibility of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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.

#### Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to 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 financial statements.

**Independent Auditor's Report to the Partners of Ahl Al Khaleej General Trading and Contracting Company – Limited Partnership Company (continued)**

**Auditor's responsibilities for audit of the financial statements (continued)**

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 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 the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting. Based on the audit evidence obtained, we will determine 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions will be based on the audit evidence obtained 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 financial statements, including the disclosures. Further, evaluate whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management 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.

**Report on other Legal and Regulatory Requirements**

Furthermore, in our opinion, proper books of account have been kept by the Company and the financial statements are in accordance therewith. We further report that we obtained all the information and explanations that we required for the purpose of our audit and that the financial statements incorporate all information that is required by the Companies Law No. (1) of 2016 and its Executive Regulations, and by the Company's Memorandum of Incorporation, as amended, that an inventory was duly carried out and that, to the best of our knowledge and belief, no violations of the Companies Law, the Executive Regulations, or of the Company's Memorandum of Incorporation, as amended, have occurred during the year ended 31 December 2024 that might have had a material effect on the business or financial position of the Company.



Abdullatif M. Al-Aiban (CPA)  
(Licence No. 94-A)  
of Grant Thornton – Al-Qatami, Al-Aiban & Partners

Kuwait  
25 June 2025

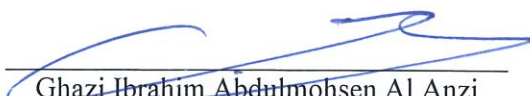
## Statement of profit or loss and other comprehensive income

	Year ended 31 Dec. 2024 KD	Year ended 31 Dec. 2023 KD
Revenues	8,496,560	7,835,835
Cost of revenue	(2,202,385)	(2,284,685)
<b>Gross profit</b>	<b>6,294,175</b>	<b>5,551,150</b>
Write-back of provision for expected credit losses	-	5,159,263
Provision no longer required	-	23,903
Loss on disposal of property and equipment	(18,036)	(87,157)
Other income	44,139	104,151
	<b>6,320,278</b>	<b>10,751,310</b>
<b>Expenses and other charges</b>		
Staff costs	(613,448)	(612,112)
General, administrative and other expenses	(483,199)	(450,132)
Depreciation of property and equipment	(855)	(137)
Depreciation of right of use assets	(160,027)	(189,080)
Interest expenses	(28,351)	(14,983)
	<b>(1,285,880)</b>	<b>(1,266,444)</b>
<b>Profit for the year</b>	<b>5,034,398</b>	<b>9,484,866</b>
Other comprehensive income for the year	-	-
<b>Total comprehensive income for the year</b>	<b>5,034,398</b>	<b>9,484,866</b>

*The notes set out on pages 7 to 23 form an integral part of these financial statements.*

## Statement of financial position

	Note	31 Dec. 2024 KD	31 Dec. 2023 KD
<b>Assets</b>			
Non-current assets			
Property and equipment	7	1,633,553	1,793,636
Right of use assets	8	685,152	166,952
		<b>2,318,705</b>	<b>1,960,588</b>
Current assets			
Inventory	9	110,179	113,956
Accounts receivable and other assets	10	11,157,865	12,201,482
Due from related parties	16	902,996	1,000
Cash on hand and at banks	11	287,179	1,047,324
		<b>12,458,219</b>	<b>13,363,762</b>
<b>Total assets</b>		<b>14,776,924</b>	<b>15,324,350</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share Capital	12	3,100,000	3,100,000
Legal reserve	13	1,550,000	1,550,000
Retained earnings		9,011,380	10,916,389
Partners' current accounts		(860,973)	(777,982)
		<b>12,800,407</b>	<b>14,788,407</b>
<b>Non-current liabilities</b>			
Provision for end of service benefits		237,681	210,423
Lease liabilities	14	530,187	77,830
		<b>767,868</b>	<b>288,253</b>
<b>Current liabilities</b>			
Lease liabilities	14	166,676	111,730
Due to related parties	16	9,075	868
Term loan	17	890,483	-
Accounts payable and other liabilities	15	142,415	135,092
		<b>1,208,649</b>	<b>247,690</b>
<b>Total liabilities</b>		<b>1,976,517</b>	<b>535,943</b>
<b>Total equity and liabilities</b>		<b>14,776,924</b>	<b>15,324,350</b>

  
 Ghazi Ibrahim Abdulmohsen Al Anzi  
 General manager

*The notes set out on pages 7 to 23 form an integral part of these financial statements.*

## Statement of changes in equity

	Share capital KD	Legal reserve KD	Retained earnings KD	Partners' current accounts KD	Total KD
<b>Balance as at 31 December 2023</b>	3,100,000	1,550,000	10,916,389	(777,982)	14,788,407
Total comprehensive income for the year	-	-	5,034,398	-	5,034,398
Dividends (note 18)	-	-	(6,939,407)	-	(6,939,407)
Net movement in partners' current accounts	-	-	-	(82,991)	(82,991)
<b>Balance as at 31 December 2024</b>	<b>3,100,000</b>	<b>1,550,000</b>	<b>9,011,380</b>	<b>(860,973)</b>	<b>12,800,407</b>
<b>Balance as at 31 December 2022</b>	3,100,000	1,550,000	5,464,986	260,247	10,375,233
Total comprehensive income for the year	-	-	9,484,866	-	9,484,866
Dividends (note 18)	-	-	(4,033,463)	-	(4,033,463)
Net movement in partners' current accounts	-	-	-	(1,038,229)	(1,038,229)
<b>Balance as at 31 December 2023</b>	<b>3,100,000</b>	<b>1,550,000</b>	<b>10,916,389</b>	<b>(777,982)</b>	<b>14,788,407</b>

The notes set out on pages 7 to 23 form an integral part of these financial statements.

## Statement of cash flows

	Year ended 31 Dec. 2024 KD	Year ended 31 Dec. 2023 KD
<b>Operating activities</b>		
Profit for the year	5,034,398	9,484,866
Adjustment for:		
Depreciation and amortization	459,388	470,760
Provision no longer required	-	(23,903)
Write-back of provision for expected credit losses	-	(5,159,263)
Interest expenses	28,351	14,983
Loss on disposal of property and equipment	18,036	87,157
Provision for end of service benefits	32,080	31,385
	<b>5,572,253</b>	<b>4,905,985</b>
<b>Changes in operating assets and liabilities</b>		
Inventory	3,777	(36,809)
Accounts receivable and other assets	1,043,617	67,263
Due from related parties	(901,996)	(1,000)
Due to related parties	8,207	-
Accounts payable and other liabilities	7,323	(131,874)
End of service benefits paid	(4,822)	(11,367)
<b>Net cash generated from operating activities</b>	<b>5,728,359</b>	<b>4,792,198</b>
<b>Investing activities</b>		
Purchase of property and equipment	(162,294)	(294,120)
Proceeds on disposal of property and equipment	4,980	58,052
<b>Net cash flows used in investing activities</b>	<b>(157,314)</b>	<b>(236,068)</b>
<b>Financing activities</b>		
Net movement in partners' current accounts	(82,991)	(1,038,229)
Term loan	890,483	-
Dividends	(6,939,407)	(4,033,463)
Lease liabilities and related interest paid	(199,275)	(208,179)
<b>Net cash used in financing activities</b>	<b>(6,331,190)</b>	<b>(5,279,871)</b>
<b>Net change in cash on hand and at banks</b>	<b>(760,145)</b>	<b>(723,741)</b>
Cash on hand and at banks at the beginning of the year	1,047,324	1,771,065
<b>Cash on hand and at banks at end of the year</b>	<b>287,179</b>	<b>1,047,324</b>

*The notes set out on pages 7 to 23 form an integral part of these financial statements.*

## Notes to the financial statements

### 1 Incorporation and activities

The Company was established under the memorandum of corporation No. 3212 dated 10 October 1998, as a Kuwait limited partnership company. The latest amendment to the memorandum of incorporation was on 4 May 2017, and the Company's commercial register No. 74837 was registered on 10 October 1998.

The Company's main activities are: retail sale of vehicle scrap, industrial equipment and machinery, metal turning, wholesale and retail trade, wholesale of bricks, tiles, ceramics and marble, and retail of building materials and scrap.

The address of the Company's registered office is: East Ahmadi, Block 6, Plot 107, State of Kuwait.

The financial statements for the year ended 31 December 2024 were authorised for issuance by the Partners on 25 June 2025.

### 2 Basis of Preparation

The financial statements have been prepared under the historical cost convention.

The financial statements are presented in Kuwaiti Dinar ("KD").

The Company has elected to present "the statement of profit and loss and other comprehensive income" in one statement.

### 3 Statement of compliance

The Company's financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

### 4 Changes in accounting policies

#### 4.1 New and amended standards adopted by the Company

The following amendments to existing IFRS Accounting Standards were effective for the current period.

<i>Standard or Interpretation</i>	<i>Effective for annual periods beginning</i>
IAS 1 Amendments - Classification of liabilities as current or non-current	1 January 2024
IFRS 16 Amendments - Lease liability in a sale and leaseback	1 January 2024

#### IAS 1 Amendments - Classification of current or non-current

The amendments to IAS 1 clarify the classification of a liability as either current or non-current is based on the entity's rights at the end of the reporting period. Stating management expectations around whether they will defer settlement or not does not impact the classification of the liability. It has added guidance about lending conditions and how these can impact classification and has included requirements for liabilities that can be settled using an entity's own instruments.

The adoption of the amendments did not have a significant impact on the company's financial information.

## Notes to the financial statements (continued)

### 4 Changes in accounting policies (continued)

#### 4.1 New and amended standards adopted by the Company (continued)

##### IFRS 16 Amendments – Lease liability in a sale and leaseback

The amendments to IFRS 16 requires a seller-lessee to measure the right-of-use asset arising from a sale and leaseback transaction at the proportion of the previous carrying amount of the asset that relates to the right of use the seller-lessee retains. Accordingly, in a sale and leaseback transaction the seller-lessee recognises only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor. The initial measurement of the lease liability that arise from a sale and leaseback transaction is a consequence of how the seller-lessee measures the right-of-use asset and the gain or loss recognised at the date of the transaction. The new requirements do not prevent a seller-lessee from recognising in any gain or loss relating to the partial or full termination of a lease.

The adoption of the amendments did not have a significant impact on the company's financial information.

#### 4.2 IASB Standards issued but not yet effective

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published by the IASB but are not yet effective and have not been adopted early by the Company.

Management anticipates that all of the relevant pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncements. Information on new standards, amendments and interpretations that are expected to be relevant to the Company's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Company's financial statements.

<i>Standard or Interpretation</i>	<i>Effective for annual periods beginning</i>
IFRS 7 and IFRS 9 Classification and Measurement of Financial Instruments – Amendments	1 January 2026
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027

#### IFRS 7 and IFRS 9 Classification and Measurement of Financial Instruments - Amendments

The amendments to IFRS 7 and IFRS 9 addresses three changes:

- Derecognition of a financial liability settled through electronic transfer whereby entities are permitted to deem a financial liability (or part of it) that will be settled in cash using an electronic payment system to be discharged before the settlement date if specified criteria are met. An entity that elects to apply this derecognition option would be required to apply it to all settlements made through the same electronic payment system.
- Classification of financial assets based on a) contractual terms that are consistent with basic lending arrangements, b) assets with non-recourse description has been enhanced to include a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets, and c) contractually linked instruments have been clarified, and
- Disclosures relating to a) financial assets at FVTOCI where entities are required to disclose fair value gain or loss separately for financial assets derecognized in the period and the fair value gain or loss that relates to investments held at the end of the period, and b) contractual terms that could change the timing or amount of contractual cash flows on the occurrence (or non-occurrence) of a contingent event that does not relate directly to changes in a basic lending risks and costs.

Management does not anticipate that the application of the amendments in the future will have a significant impact on the Company's financial statements.

## Notes to the financial statements (continued)

### 4 Changes in accounting policies (continued)

#### 4.2 IASB Standards issued but not yet effective (continued)

##### IFRS 18 Presentation and Disclosure in Financial Statements

The new standard will replace the IAS 1 Presentation of Financial Statements though it contains a number of the current requirements in the IAS 1. IFRS 18 sets out to ensure the financial statements provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. The major new requirements in IFRS 18 include

- Presentation of specific categories and sub totals in the statement of profit or loss
- Disclosures of management-defined performance measures (MPM)
- Improvement of aggregation and disaggregation

Management anticipates adoption of the new standard have a significant impact on the Company's financial statements.

### 5 Material accounting policy information

Material accounting policy information and measurement bases adopted in preparation of the financial statements are summarised below:

#### 5.1 Revenues

The Company recognises revenues from the following major sources:

- Sale of goods (including sale of machinery and cleaning tools, sale of spare parts, and sale of agricultural machinery and materials).

Revenues are measured based on the consideration to which it is expected by the Company to be entitled through the contract with customer as the amounts that have been collected on behalf of the other parties are excluded. The Company recognises revenues when it transfers control of a product or service to a customer. The Company follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/ as performance obligation(s) are satisfied.

In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices.

Revenue is recognised either at a point in time or over time, when (or as) the Company satisfies performance obligations by transferring the promised goods or services to its customers.

##### 5.1.1 Services revenue (Oil Well Drilling Site Preparation)

Revenue is recognized when the Company provides services at a specific point in time, typically upon the delivery or performance of these services, in accordance with revenue recognition criteria.

## Notes to the financial statements (continued)

### 5 Material accounting policy information (continued)

#### 5.2 Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

#### 5.3 Leased assets

##### *The Company as a lessee*

For any new contracts entered into on or after 1 January 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

- The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group.
- The Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- the Company has the right to direct the use of the identified asset throughout the period of use. The Company assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

##### Measurement and recognition of leases as a lessee

At lease commencement date, the Company recognises a right of use assets and a lease liability on the statement of financial position measured as follows:

##### Right-of-use asset

The right of use assets are measured at cost, which are made up of the initial measurement of the lease liabilities, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

Subsequent to initial measurement, the Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

##### Lease liability

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

After initial measurement, the liability is reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

## Notes to the financial statements (continued)

### 5 Material accounting policy information (continued)

#### 5.4 Property and equipment and depreciation

Property and equipment are initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Company's management.

Property and equipment are measured using the cost model, i.e. cost less depreciation and impairment losses. Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of property and equipment. The useful life and depreciation method are reviewed periodically to ensure that the adopted method and period of depreciation are consistent with the economic benefits arising from items of property and equipment. The following useful lives are applied:

Plant and equipment	20%
Office equipment	20%
Computer equipment	20%

Material residual value estimates and estimates of useful life are updated as required, but at least annually. When an indication of impairment exists, property and equipment are written down to their recoverable amount, and the resulting impairment loss is recognized in profit or loss. For impairment assessment purpose, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash generating units).

When assets are sold or retired, their cost and accumulated depreciation are eliminated from the accounts and any profit or loss resulting from their disposal is recognised in the statement of profit or loss.

#### 5.5 Financial instruments

##### 5.5.1 Recognition, initial measurement and derecognition

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

A financial asset (or, where applicable a part of financial asset or part of group of similar financial assets) is derecognised when:

- Rights to receive cash flows from the financial assets have expired;
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass through' arrangement and either
  - a) The Company has transferred substantially all the risks and rewards of the asset or
  - b) The Company has neither transferred nor retained substantially all risks and rewards of the asset but has transferred control of the asset.

Where the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. Where the Company has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

## Notes to the financial statements (continued)

### 5 Material accounting policy information (continued)

#### 5.5 Financial instruments (continued)

##### 5.5.1 *Recognition, initial measurement and derecognition (continued)*

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

##### 5.5.2 *Classification of financial assets*

For the purpose of subsequent measurement, financial assets are classified as financial assets at amortised cost.

The classification is determined by both:

- the entity's business model for managing the financial asset
- Contractual cash flow characteristics of the financial asset.

The Company may make the following irrevocable election/designation at initial recognition of a financial asset:

- The Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met, and
- The Company may irrevocably designate a debt investment that meets the amortised cost or criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

The Company did not make any election or designation at the reporting date.

##### 5.5.3 *Subsequent measurement of financial assets*

- **Financial assets at amortised cost**

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated at fair value through profit or loss):

- They are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows.
- 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 rate method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial.

The Company's financial assets at amortised cost comprise of the following:

- *Cash and bank balances*

Cash and bank balances comprise cash on hand and bank balances.

- *Accounts receivable and other assets*

Accounts receivable and other assets are stated at original amount less allowance for any impairment (Note 5.5.4).

- *Due from related parties*

Due from related parties is the financial assets originated by the company through providing funds directly to the borrower that have fixed or determinable payments and are not quoted in an active market.

## Notes to the financial statements (continued)

### Material accounting policy information (continued)

#### 5.5 Financial instruments (continued)

##### 5.5.4 Impairment of financial assets

All financial assets except equity investments at FVTOCI are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a Group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

The Company recognises a loss allowance for expected credit losses (“ECL”) on financial assets at amortised cost.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial asset.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets’ gross carrying amount at the reporting date.

The Company’s policy is to recognise lifetime ECLs for trade receivables (simplified approach). The expected credit losses on these financial assets are estimated using a provision matrix based on the Company’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognises lifetime ECLs when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

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

The Company recognises an impairment gain or loss in the statement of profit or loss and other comprehensive income for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECLs in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECLs are no longer met, the Company measures the loss allowance at an amount equals to 12-month ECLs at the current reporting date, except for assets for which simplified approach was used.

## Notes to the financial statements (continued)

### 5 Material accounting policy information (continued)

#### 5.5 Financial instruments (continued)

##### 5.5.5 Classification and subsequent measurement of financial liabilities

The Company's financial liabilities include accounts payable and other liabilities and due from related parties.

The subsequent measurement of financial liabilities depends on their classification as follow (the Company does not have any financial liabilities classified at fair value through profit or loss):

- **Financial liabilities at amortised cost**

Financial liabilities are measured using the effective interest rate method. Accounts payable and other liabilities and due from related parties are classified as financial liabilities at amortised cost.

- *Accounts payable and other liabilities*

Accounts payable and other liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed or not.

- *Due to related parties*

Amounts due from related party transactions and cash payments to related parties are included under due to related parties.

##### 5.5.6 Amortised cost of financial instruments

This is computed using the effective interest method less any allowance for impairment. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate.

##### 5.5.7 Trade and settlement date accounting

All "regular way" purchases and sales of financial assets are recognised on the trade date basis, i.e. the date that the entity commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

##### 5.5.8 Offset of financial instruments

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

#### 5.6 Inventory

Inventory is valued at the lower of cost and net realisable value. Inventory is stated at the actual cost that is determined on a weighted average method net of provision for slow moving inventory.

Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

#### 5.7 Equity and reserves

Share capital represents the nominal value of shares that have been issued and paid up.

Legal reserve comprises appropriations of current and prior period profits in accordance with the requirements of the commercial companies' law and the Company's memorandum of incorporation.

Retained earnings includes all current and prior period retained profits. All transactions with owners of the Company are recorded separately within equity.

## Notes to the financial statements (continued)

### 5 Material accounting policy information (continued)

#### 5.8 Provisions, contingent assets and liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there is a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

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

Contingent liabilities are not recognised in the statement of financial position, but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

#### 5.9 Foreign currency translation

##### 5.9.1 Functional and presentation currency

The financial statements are presented in Kuwaiti Dinars ("KD"), which is also the functional currency of the Company.

##### 5.9.2 Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the Company's respective entity, 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 year-end exchange rates are recognised in profit or loss. Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

#### 5.10 End of service benefits

The Company provides end of service benefits to its employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period in accordance with relevant labour law and the employees' contracts. The expected costs of these benefits are accrued over the period of employment. This liability, which is unfunded, represents the amount payable to each employee as a result of termination on the reporting date.

With respect to its Kuwaiti national employees, the Company makes contributions to the Public Institution for Social Security calculated as a percentage of the employees' salaries. The Company's obligations are limited to these contributions, which are expensed when due.

#### 5.11 Cash and cash equivalents

Cash and cash equivalents as per the statement of cash flows comprise cash on hand and at banks.

#### 5.12 Climate-related matters

The Company considers climate-related matters in estimates and assumptions, where appropriate. Risks induced by climate changes include transition risks (e.g. regulatory changes and reputational risks) and physical risks due to weather related events (e.g. storms, wildfires, rising sea levels). The Group has not identified significant risks induced by climate changes that could negatively and materially affect the Company's financial statements. Management continuously assesses the impact of climate-related matters

Assumptions could change in the future in response to new environmental regulations, commitments taken and changing consumer demand. These changes, if not anticipated, could have an impact on the Company's future cash flows, financial performance and financial position.

## Notes to the financial statements (continued)

### 6 Significant management judgments and estimation uncertainty

Preparation of the Company's financial statements requires the management to make judgments, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

#### 6.1 Significant management judgments

In the process of applying the Company's accounting policies, management has made the following significant judgments, which have the most significant effect on the amounts recognised in the financial statements. Actual results may be substantially different.

##### 6.1.1 Business model assessment

The Company classifies financial assets after performing the business model test (please see accounting policy for financial instruments sections in note 5.5). This test includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured and the risks that affect the performance of the assets. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

##### 6.1.2 Judgements in determining the timing of satisfaction of performance obligations

The determination of the whether or not performance obligation criterial set out in IFRS 15 relating to transfer of control of goods and services to customers has been satisfied requires significant judgement.

##### 6.1.3 Estimates uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

##### 6.1.4 Impairment of financial assets

Measurement of estimated credit losses involves estimates of loss given default and probability of default. Loss given default is an estimate of the loss arising in case of default by customer. Probability of default is an estimate of the likelihood of default in the future. Its estimate includes historical data, assumptions and expectations of future conditions. The Company based these estimates using reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

##### 6.1.5 Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and equipment.

##### 6.1.6 Impairment of inventories

Inventories are held at the lower of cost and net realisable value. When inventories become old or obsolete, an estimate is made of their net realisable value. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on historical selling prices.

Management estimates net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

## Notes to the financial statements (continued)

### 6 Significant management judgments and estimation uncertainty (continued)

#### 6.1 Significant management judgments (continued)

##### 6.1.7 Impairment of depreciable assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication or objective evidence of impairment or when annual impairment testing for an asset is required. If any such indication or evidence exists, the asset's recoverable amount is estimated and an impairment loss is recognised in the statement of profit or loss and other comprehensive income whenever the carrying amount of an asset exceeds its recoverable amount. During the year ended 31 December 2024 and 2023, there is no an impairment of equipment.

### 7 Property and equipment

	Plant and equipment KD	Office equipment KD	Computer equipment KD	Total KD
<b>31 Dec. 2024</b>				
<b>Cost</b>				
1 January	2,556,578	537	2,000	2,559,115
Additions	162,011	-	283	162,294
Disposals	(40,278)	-	-	(40,278)
<b>31 Dec.</b>	<b>2,678,311</b>	<b>537</b>	<b>2,283</b>	<b>2,681,131</b>
<b>Accumulated depreciation</b>				
1 January	765,342	81	56	765,479
Charged for the year	298,506	179	676	299,361
Related to disposals	(17,262)	-	-	(17,262)
<b>31 Dec.</b>	<b>1,046,586</b>	<b>260</b>	<b>732</b>	<b>1,047,578</b>
<b>Net carrying amount</b>				
<b>31 Dec.</b>	<b>1,631,725</b>	<b>277</b>	<b>1,551</b>	<b>1,633,553</b>
<b>31 December 2023</b>				
<b>Cost</b>				
1 January	2,453,579	-	-	5,453,579
Additions	291,583	537	2,000	294,120
Disposals	(188,584)	-	-	(188,584)
<b>31 Dec.</b>	<b>2,556,578</b>	<b>537</b>	<b>2,000</b>	<b>2,559,115</b>
<b>Accumulated depreciation</b>				
1 January	527,174	-	-	527,174
Charged for the year	281,543	81	56	281,680
Related to disposals	(43,375)	-	-	(43,375)
<b>31 Dec.</b>	<b>765,342</b>	<b>81</b>	<b>56</b>	<b>765,479</b>
<b>Net carrying amount</b>				
<b>31 Dec.</b>	<b>1,791,236</b>	<b>456</b>	<b>1,944</b>	<b>1,793,636</b>

The depreciation charged for the year is distributed as follows: -

	31 Dec. 2024 KD	31 Dec. 2023 KD
Cost of revenue	298,506	281,543
Expenses and other charges	855	137
	<b>299,361</b>	<b>281,680</b>

## Notes to the financial statements (continued)

### 8 Right of use assets

	31 Dec. 2024 KD	31 Dec. 2023 KD
Balance a 1 January 2024	166,952	233,961
Additions	762,952	122,071
Disposals	(84,725)	-
Amortization during the year	(160,027)	(189,080)
<b>Balance as at 31 December 2024</b>	<b>685,152</b>	<b>166,952</b>

\* The above represents an office and showrooms leased by the Company. The contract durations are fixed, ranging from 2 to 5 years.

### 9 Inventory

	31 Dec. 2024 KD	31 Dec. 2023 KD
Materials, equipment, and tools	110,179	113,956
	<b>110,179</b>	<b>113,956</b>

### 10 Accounts receivable and other assets

	31 Dec. 2024 KD	31 Dec. 2023 KD
Trade receivables	13,767,027	14,809,543
Provision for impairment	(2,666,357)	(2,666,357)
	<b>11,100,670</b>	<b>12,143,186</b>
Staff receivable	30,611	29,226
Advance payments to suppliers	17,960	23,791
Prepaid expenses	7,274	5,279
Others	1,350	-
	<b>11,157,865</b>	<b>12,201,482</b>

The average credit period on trade receivable ranges from 30 - 90 days. There are no interest charged on the outstanding trade receivable.

In measuring the expected credit losses, trade receivables have been assessed on a collective basis as they hold shared credit risk characteristics. They have been grouped based on the past due period.

The expected loss rates are based on the payment profile for sales over the 24 months before 31 December 2024 and 1 January 2024 respectively as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forwarding looking factors affecting the customer's ability to settle the amount outstanding, and the general economic conditions of the sector in which the debtors operate and an assessment of both the current and estimated condition trend as at the reporting date. The Company recognized a 100% provision for loss against gross accounts receivable past due over 270 days.

Trade receivables are written off (i.e. derecognised) when there is no reasonable expectation of recovery.

## Notes to the financial statements (continued)

### 11 Accounts receivable and other assets (continued)

On this basis, the expected credit loss of the trade receivable as at 31 December 2024 and 31 December 2023 has been determined as follows:

	Current KD	Trade receivables - maturity dates				Total KD
		Less than 90 days KD	90 - 180 days KD	180 - 270 days KD	Over 270 days KD	
31 December 2024						
Trade receivables:						
Total carrying value	8,217,312	3,036,06	515,767	1,859,246	138,641	13,767,027
Lifetime expected credit loss	-	-	-	-	-	2,666,357

	Current KD	Trade receivables - maturity dates				Total KD
		Less than 60 days KD	60 - 90 days KD	90 - 365 days KD	Over 365 days KD	
31 December 2023:						
Trade receivables:						
Total carrying value	8,839,573	3,265,968	554,823	2,000,038	149,141	14,809,543
Lifetime expected credit loss	-	-	-	-	-	2,666,357

### 12 Cash on hand and at banks

	31 Dec. 2024 KD	31 Dec. 2023 KD
Cash on hand	1,913	2,625
Cash at Bank	285,266	1,044,699
	287,179	1,047,324

### 13 Share capital

The Company's issued and fully paid-up share capital is KD 500,000, divided into 100 shares, in cash, each of KD 31,000, allocated among the partners as follows:

	31 Dec. 2024		31 Dec. 2023	
	No. of shares	Nominal value KD	No. of shares	Nominal value KD
Ghazi Ibrahim Abdulmohsen Al Anzi	74	2,294,000	74	2,294,000
Rahaf Ibrahim Al Anzi	1	31,000	1	31,000
Abdul Mohsen Ibrahim Al Anzi	25	775,000	25	775,000
	100	3,100,000	100	3,100,000

### 14 Reserves

In accordance with the Companies' Law and the Company's bylaws, 10% of the Company's profit for the year is required to be transferred to the statutory reserve until the reserve totals 50% of the share capital. Furthermore, 10% is transferred to the voluntary reserve; this transfer can be discontinued upon the partners' resolution. No transfer to the reserve has been made based on Partners' decision.

## Notes to the financial statements (continued)

### 15 Lease liabilities

	31 Dec. 2024 KD	31 Dec. 2023 KD
1 January 2024	189,560	260,685
Additions	762,952	122,071
Disposals	(84,725)	-
Interest expenses	28,351	14,983
Payment during the year	(199,275)	(208,179)
<b>31 Dec. 2024</b>	<b>696,863</b>	<b>189,560</b>

\* The above represents an office and showrooms leased by the Company. The contract durations are fixed, ranging from 2 to 5 years.

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

	31 Dec. 2024 KD	31 Dec. 2023 KD
Non-Current	530,187	77,830
Current	166,676	111,730
	<b>696,863</b>	<b>189,560</b>

### 16 Accounts payable and other liabilities

	31 Dec. 2024 KD	31 Dec. 2023 KD
Trade payable	85,858	99,816
Accrued expenses	56,557	35,276
	<b>142,415</b>	<b>135,092</b>

### 17 Related party transactions

Related parties are the partners, the Company's key management personnel and companies in which they are principal owners or over which they are able to exercise significant influence or joint control. The pricing policies and conditions for these transactions are approved by the Company management.

The following are the related party significant transactions and balances:

	31 Dec. 2024 KD	31 Dec. 2023 KD
<b>Statement of financial position</b>		
Due from related parties	902,996	1,000
Due to related parties	9,075	868
Partners' current accounts	(860,973)	(777,982)

### 18 Term loan

The Company entered into a facility agreement with a local bank, and the Company utilized an amount of KD 890,483 as at 31 December 2024. The interest rate is 6.5% per annum above CBK discount rate.

## Notes to the financial statements (continued)

### 19 Dividends

The partners, at the meeting held on 29 December 2024, resolved to distribute an amount of KD 6,939,407 from the retained earnings balance as at 31 December 2023, to the partners (The partners, at the meetings held on 2 February 2023, and 9 April 2023, resolved to distribute KD 33,463 and KD 4,000,000, respectively, from the retained earnings balance as at 31 December 2022, to the partners).

### 20 Summary of financial assets and liabilities by Category

The carrying amount of the Company's financial assets and liabilities stated in the statement of financial position may be classified as follows:

	31 Dec. 2024 KD	31 Dec. 2023 KD
Loans and receivables: (at amortised cost)		
• Accounts receivable and other assets (excluding advance payments to prepaid expenses)	11,132,631	12,201,482
• Due from related parties	902,996	1,000
• Cash on hand and at banks	287,179	1,047,324
	<b>12,322,806</b>	<b>13,249,806</b>
Other non-trading financial liabilities: (at amortised cost)		
• Accounts payable and other liabilities	142,415	135,092
• Lease liabilities	696,863	189,560
• Term loan	890,483	-
• Due to related parties	9,075	868
	<b>1,738,836</b>	<b>325,520</b>

Fair value represents the price that would be received to sell an asset or will be paid to transfer a liability in an orderly transaction between market participants at the measurement date. In the opinion of the management, the carrying amounts of financial assets and liabilities as at 31 December 2024 and 2023 approximate their fair values.

### 21 Risk management objectives and policies

The Company's principal financial liabilities comprise accounts payable and other liabilities, due to related parties, and lease liabilities. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has various financial assets including accounts receivable and other assets, cash on hand and at banks, which arise directly from operations.

The Company's activities expose it to variety of financial risks such as: Market risk, credit risk and liquidity risk. The Company's management manages each of the risks stated below. The Company does not use derivative financial instruments.

## Notes to the financial statements (continued)

### 21 Risk management objectives and policies (continued)

The most significant financial risks to which the Company is exposed are described below:

#### 21.1 Market risk

##### a) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future profitability or the fair values of financial instruments. The Company has no material interest-bearing instruments as of the reporting date; consequently, any potential and reasonable change in interest rates will not have a material impact.

##### c) Price risk

The Company is not exposed to price fluctuation risks.

#### 21.2 Credit risk

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's credit policy regarding exposure to credit risk requires monitoring these risks on an ongoing basis. Furthermore, the Company seeks to avoid undue concentrations of risks with individuals.

The Company's exposure to credit risk is limited to the carrying amounts of financial assets recognised at the reporting date, as summarized below:

	31 Dec. 2024 KD	31 Dec. 2023 KD
Accounts receivable and other assets (excluding advance payments to suppliers and prepaid expenses)	11,132,631	12,201,482
Due from related parties	902,996	1,000
Cash at banks	285,266	1,044,699
	12,320,893	13,247,181

Except for certain receivables, none of the above financial assets are past due nor impaired. The Company monitors defaults of customers and other counter parties identified either individually or by group and incorporate this information into its credit risk controls. The Company's policy is to deal only with creditworthy counterparties. The Company's management considers that all the above financial assets that are neither past due nor impaired for the reporting date are under review and are of good credit quality.

The credit risk for bank balances is considered negligible, since the counterparties are financial institution with high credit quality with no previous history of default. Based on the management's assessment, the impact of the ECL arising from these financial assets is not significant to the Company as the risk of default has not significantly increased.

#### 21.3 Liquidity risk

Liquidity risk is the risk that the Company fails to meet its financial commitments as they fall due. To limit this risk, the Company's management has arranged diversified funding sources including banks and a related party, manages assets with liquidity in mind, and monitors liquidity on a regular basis.

## Notes to the financial statements (continued)

### 21 Risk management objectives and policies (continued)

#### 21.3 Liquidity risk (continued)

The contractual maturity profiles of the financial liabilities based on discounted cash flow are as follows:

	1-3 months KD	3-12 months KD	More than 12 months KD	Total KD
<b>31 Dec. 2024</b>				
<b>Liabilities</b>				
Accounts payable and other liabilities	73,342	56,320	12,753	142,415
Term loan	13,158	118,548	816,658	948,364
Due to related parties	-	9,075	-	9,075
	<b>86,500</b>	<b>183,943</b>	<b>829,411</b>	<b>1,099,854</b>
<b>31 Dec. 2023</b>				
<b>Liabilities</b>				
Accounts payable and other liabilities	69,571	53,424	12,097	135,092
Due to related parties	-	868	-	868
	<b>69,571</b>	<b>54,292</b>	<b>12,097</b>	<b>135,960</b>

### 22 Capital risk management

The Company's capital risk management objectives are to ensure the Company's ability to continue as a going concern and to provide adequate return to the partners through the optimization of the capital structure.

The capital consists of total equity. The Company manages the capital structure and makes adjustments in the light of changes in economic conditions and risk characteristics of the Company's underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to partners, issue new interests or sell assets to reduce debt.

No changes were made to the objectives, policies, or methods during the years ended 31 December 2024, and 31 December 2023.

The Company monitors capital on the basis of the return on equity. It is calculated as profit for the year divided by total equity as follows:

	31 Dec. 2024 KD	31 Dec. 2023 KD
Profit for the year	5,034,398	9,484,866
Equity	12,800,407	14,788,407
Return on equity	39.33%	64.14%