This is a non-certified translation of the original Arabic version of the Prospectus. This English version is provided for convenience only and does not constitute a legal document. Subscribers should only rely on the Arabic version of the Prospectus. In the case of any discrepancies or omissions, the Arabic version of the Prospectus shall prevail.

OFFER TO SUBSCRIBE FOR SHARES IN A FREE ZONE COMPANY IN A PUBLIC SUBSCRIPTION IN THE UAE ONLY

Prospectus for the Public Offering of Shares in

A D N H Catering plc (the "Company")

(a public company limited by shares incorporated in the Abu Dhabi Global Market ("ADGM") and subject to the ADGM Companies Regulations 2020 (as amended))

Dated: 30 September 2024

This is the prospectus (the "**Prospectus**") for the sale of 900,000,000 (nine hundred million) ordinary shares with a nominal value of AED 0.10 (ten fils) of the Company, representing 40% (forty per cent) of the total issued shares in the share capital of the Company (the "**Offer Shares**"), to be sold by the Company's sole shareholder namely; Abu Dhabi National Hotels Company PJSC (the "**Selling Shareholder**") in a public subscription in the United Arab Emirates (the "**UAE**") only. The Selling Shareholder reserves the right to amend the size of the Offering and the size of any Tranche (as defined below) at any time prior to the end of the subscription period at its sole discretion, subject to the applicable laws of the UAE and the approval of the Securities and Commodities Authority in the UAE ("**SCA**" or the "**Authority**"). The offer price will be in AED and determined based on the offer price range (the "**Offer Price Range**"), which will be announced on the same day and before the opening of the Offer Period on 7 October 2024. The Offer Shares will be duly and validly issued as at the date of listing (the "**Listing**") of the Shares on the Abu Dhabi Securities Exchange (the "**ADX**").

The final offer price (the "Final Offer Price") and the final offering size (the "Final Offer Size") will be announced after the closing of the subscription of the Second Tranche. Please refer to the section on the Final Offer Price in the first section of this Prospectus which sets out a description of how the Final Offer Price will be calculated.

Except in the UAE only, no action has been taken or will be taken in any jurisdiction that would permit a public subscription of the Offer Shares pursuant to this Prospectus or the possession, circulation or distribution of this Prospectus. Accordingly, the Offer Shares may not be offered or sold, directly or indirectly, nor may this Prospectus or any other offering material or advertisement or other document or information in connection with the Offer Shares be distributed or published, in or from any jurisdiction except in compliance with any applicable rules and regulations of any such jurisdiction.

The Company is not subject to UAE Federal Decree by Law No. 32 of 2021 concerning commercial companies (as amended) (the "**UAE Commercial Companies Law**"). The Authority is not responsible for the content of this Prospectus, or the information contained herein. The Company is subject to the ADGM Companies Regulations 2020 (as amended) (the "**Companies Regulations**") and other applicable rules and regulations in the ADGM. The ADGM Registration Authority (the "**ADGM Registration Authority**") is responsible for the supervision and regulation of all public companies incorporated in the ADGM, including the Company, in relation to compliance with the Companies Regulations.

Investment in the Offer Shares involves a high degree of risk. Prospective Subscribers should carefully read the "Investment Risks" and the "Important Notice" sections of this Prospectus to inform themselves about factors that should be considered before investing in the Offer Shares.

Offer Period

The Offer Period for the First Tranche, the Second Tranche and the Third Tranche (as described in this Prospectus) starts on 7 October 2024 and will close on 14 October 2024 for the First Tranche and the Third Tranche and on 15 October 2024 for the Second Tranche.

If all of the Offer Shares are subscribed for and allocated, and the Offer size is not increased, the Offer Shares will represent 40% of the total issued ordinary shares in the capital of the Company (the "**Shares**") (this percentage has been calculated based on the total number of Shares in the share capital of the Company). The Selling Shareholder reserves the right to amend the size of the Offering and the size of each Tranche at any time prior to the end of the subscription period at its sole discretion, subject to the applicable laws of the UAE and the approval of the SCA. Prior to this Offering, the Shares have not been listed on any financial market and there has been no public market for the Shares. Following the closing of the Offer Period in respect of the First Tranche, the Second Tranche and the Third Tranche and accepting the subscription for Shares, the Company will apply to list its Shares on the ADX.

Date of the SCA's approval of publishing this Prospectus: **9 September 2024**.

This Prospectus contains data that has been submitted in accordance with the rules for issuance and disclosure issued by the SCA in the United Arab Emirates and publishing this Prospectus has been approved by the SCA on 9 September 2024. However, the SCA's approval of publishing this Prospectus does not constitute an endorsement of the feasibility of investment in the Offer Shares nor a recommendation to subscribe to the Offer Shares; the approval only confirms that this Prospectus contains the minimum information required in accordance with the applicable rules issued by the SCA with respect to prospectuses. The SCA is not responsible for the accuracy, completeness or adequacy of the information contained in this Prospectus and the SCA does not bear any responsibility for any damages or losses incurred by any person as a result of relying on this Prospectus or any part of it. The members of the Company's board of directors, jointly and severally, bear full responsibility regarding the validity of the information and data contained in this Prospectus, and they

confirm, to the extent of their knowledge and belief, and subject to due diligence and after conducting reasonable enquiries, that there are no other facts or material information, which were not included in this Prospectus that renders any statement contained therein misleading to the Subscribers or which may influence their decision to invest.

Method of offer and sale of the Offer Shares in a public subscription

The Offer Shares represent 900,000,000 (nine hundred million) Shares with a nominal value of AED 0.10 (ten fils) each of the total issued shares in the share capital of the Company, which will be sold by the Selling Shareholder in a public offering whereby the Final Offer Price will be determined through the application of a book building process, where a subscription orders ledger will be created through the subscription orders made only by the Second Tranche Subscribers. The Selling Shareholder reserves the right to amend the size of the Offering and the size of any Tranche at any time prior to the end of the subscription period at its sole discretion, subject to the applicable laws of the UAE and the approval of SCA.

In creating the subscription orders ledger, the Offer Shares subscribed by the Second Tranche Subscribers will constitute all of the Offer Shares used in calculating the Final Offer Price of each Offer Share. In order for the subscription to succeed, the subscription percentage of the Second Tranche Subscribers must not be less than 60% (sixty per cent), and the subscription percentage of First Tranche Subscribers and Third Tranche Subscribers must not be more than 40% (forty per cent) of the Offer Shares in aggregate.

If the First Tranche is not subscribed to in full, the remaining Offer Shares will be allocated to the Second Tranche. If the Third Tranche is not subscribed to in full, the remaining Offer Shares will be allocated to the First Tranche or the Second Tranche. The Receiving Banks commit to refund the oversubscription amounts received from the First Tranche Subscribers and the Third Tranche Subscribers for the Offering and any accrued profit on such amounts one day after the subscription closing until one day prior to the refund to the First Tranche Subscribers and the Third Tranche Subscribers, provided that the refund is made within five working days from the date on which all allocations of Offer Shares to successful First Tranche Subscribers and Third Tranche Subscribers is determined.

The Selling Shareholder may not, whether directly or indirectly or through any of its subsidiaries, subscribe for any of the Offer Shares.

Price Stabilisation Mechanism

In connection with the Offering, the Company and the Selling Shareholder will appoint BHM Capital Financial Services PJSC (the "**Stabilisation Manager**"), who may, to the extent permitted by applicable law, including the ADX Operational Rules Booklet issued by the ADX Board Members Decision No. (4/2/2022) on 3 March 2022 (the "**ADX Rules**"), and for stabilisation purposes, effect stabilising transactions with a view to supporting the market price of the Shares, in each case at a higher level than that which might otherwise prevail in the open market. The Stabilisation Manager will be appointed for a time period commencing on the date of trading of the Shares on the ADX and ending no later than 30 days thereafter (the "**Stabilisation Period**"). All stabilising transactions will be undertaken in compliance with ADX Rules. In accordance with Article 3, Chapter 15 of the ADX

Rules, the Stabilisation Manager will disclose to the market the extent of any stabilising transactions conducted in relation to the Offering.

As part of the Offering, the Selling Shareholder will sell 90,000,000 Shares representing 10% of the Offer Shares (the "**Stabilisation Shares**") and such shares will be allocated to investors as part of the normal allocation process for the Offering.

If at any time during the Stabilisation Period, the share price of the Shares on the ADX falls below the Final Offer Price, the Stabilisation Manager shall use the proceeds of the sale of the Stabilisation Shares to purchase up to a number of Shares equivalent to the number of Stabilisation Shares at or below the Final Offer Price for the purpose of supporting the market price of the Shares. In the event the Stabilisation Manager does not purchase any shares, the Stabilisation Shares will remain fully allocated. At the end of the Stabilisation Period, the Stabilisation Manager will return to the Selling Shareholder the Stabilisation Shares which have been purchased in the market as a result of stabilising transactions and/or any remaining portion of the proceeds which were not used for stabilising transactions, as well as any profits that has accumulated for the amounts corresponding to such proceeds.

Any Stabilisation Shares made available will rank *pari passu* in all respects with the Shares, including for all dividends and other distributions declared, made or paid on the Shares, will be purchased on the same terms and conditions as the Shares being sold in the Offering and will form a single class for all purposes with the other Shares**.**

None of the Joint Lead Managers, the Joint Bookrunners, and the Advisors or their respective directors, officers, employees or agents will have any direct or indirect involvement in, or responsibility or liability for, nor derive any direct or indirect benefit from, the stabilising transactions envisaged hereby, and stabilisation will be carried out exclusively by the Stabilisation Manager.

Book Building Mechanism

Book building is a mechanism pursuant to which the price is set prior to the issuance of the shares or prior to the Offering.

The book building process comprises these steps:

1. The Company and the Selling Shareholder hire one or more investment banks to act as lead manager(s) who are licensed by SCA to carry, out on behalf of the Company and the Selling Shareholder, the management of the Offering, and to provide advice related to the Offering, and to coordinate with SCA and the Offer Participants and to assist the Company and the Selling Shareholder in determining the price range at which the security can be sold and drafting a prospectus to send out to the investors.

2. The appointed lead manager invite certain Professional Investors, normally, but not restricted to, large-scale sophisticated buyers and fund managers (and may invite other Professional Investors), to submit bids on the number of shares that they are interested in buying and the prices that they would be willing to pay for such shares and recording the Professional Investors' opinions in the register specifically for recording the subscription orders for the shares offered.

3. The book is 'built' by listing and evaluating the aggregated demand for the issue from the submitted bids. The underwriters analyze the information and based on that analysis, determine with the issuing company and its Selling Shareholder, the final price for the shares, which is termed the final offer price.

4. Shares for submitted bids pertaining to the Second Tranche are then allocated among the accepted bidders, at the discretion of the Company and the Selling Shareholder.

Listing Advisor

First Abu Dhabi Bank PJSC has been appointed to be the Listing Advisor of the Company (in accordance with the requirements for that role) as described in Article 33 (Second) (14) of the Offering Regulations) for a period of twelve (12) months from the date of Listing.

A list of further definitions and abbreviations is provided in the "**Definitions and Abbreviations**" Section of this Prospectus.

Tranche Structure

A. First Tranche

The First Tranche offer will be made pursuant to this Prospectus, 9.83% of the Offer Shares, representing 88,500,000 (eighty-eight million five hundred thousand) Shares, are allocated to the First Tranche. Each successful Subscriber in the First Tranche will be guaranteed a minimum allocation of up to 2,000 (two thousand) Shares, subject to the limits and conditions set out in this Prospectus. The final minimum guaranteed allocation for each Subscriber in the First Tranche shall be determined at the end of the subscription period based on the total number of Subscribers in the First Tranche and the Final Offer Price. Shares in the First Tranche available for allocation in excess of the aggregate minimum guaranteed allocation shall be allocated on a pro-rata basis. The Selling Shareholder reserves the right to amend the minimum guaranteed amount subject to obtaining SCA's approval. The First Tranche is restricted to the following persons:

- ***Individual Subscribers***

Natural persons (including natural persons constituting Assessed Professional Investors who do not participate in the Second Tranche) who have a bank account and hold a National Investor Number ("**NIN**") with ADX (except for any person who is resident in the United States within the meaning of the US Securities Act 1933, as amended (the "**US Securities Act**"). There are no citizenship or residence requirements in order to qualify as an Individual Subscriber.

Minors are permitted to apply for Offer Shares in accordance with the procedures applied by the Receiving Banks and the laws in force in this regard.

- ***Other investors***

Other investors (companies and establishments) who do not participate in the Second Tranche and who have a bank account (except for any person who is resident in the United States within the meaning of the US Securities Act).

All First Tranche Subscribers must hold a NIN with the ADX.

The Selling Shareholder reserves the right to amend the size of the First Tranche at any time prior to the end of the subscription period at its sole discretion, subject to the applicable laws of the UAE, and the approval of the SCA, provided that the subscription percentage of the subscribers in the Second Tranche does not fall below 60% (sixty per cent) of the Offer Shares and the subscription percentage of the subscribers in the First Tranche and the Third Tranche does not exceed 40% (forty per cent) of the Offer Shares in aggregate.

If all of the Offer Shares in the First Tranche are not fully subscribed, the unsubscribed Offer Shares will be made available to Second Tranche Subscribers, or alternatively (in consultation with the SCA) the Selling Shareholder may (i) extend the Closing Date for the First Tranche, the Second Tranche and the Third Tranche, and/or (ii) close the Offering at the level of applications received.

The minimum application size for subscribers in this Tranche is AED 5,000 (five thousand UAE Dirhams) with any additional application to be made in increments of AED 1,000 (one thousand UAE Dirhams).

There is no maximum application size for subscribers in this Tranche.

B. Second Tranche

The Second Tranche offer will be made pursuant to the Second Tranche Document, 90% (ninety per cent) of the Offer Shares, amounting to 810,000,000 (eight hundred ten million) Shares, are allocated to the Second Tranche, which is restricted to "**Professional Investors**" (as defined in the SCA Board of Directors' Chairman Decision No.13/R.M of 2021 (as amended from time to time)), which specifically include those investors which can be categorised in the following manner:

- ***"Deemed Professional Investors" which include:***

a. international corporations and organisations whose members are state, central banks or national monetary authorities;

b. governments, government institutions, their investment and non-investment bodies and companies wholly owned by them;

c. central banks or national monetary authorities in any country, state or legal authority;

d. capital market institutions licensed by the SCA or regulated by a supervisory authority equivalent to the SCA;

e. financial institutions;

f. regulated financial institutions, local or foreign mutual investment funds, regulated pension fund management companies and regulated pension funds;

g. any entity whose main activity represents investment in financial instruments, asset securitisation or financial transactions;

h. any company whose shares are listed or accepted to trade in any market of an IOSCO member country;

i. a trustee of a trust which has, during the past 12 months, assets of AED 35,000,000 or more;

j. licensed family offices with assets of AED 15,000,000 or more;

k. joint ventures and associations which have or had, at any time during the past two years, net assets of AED 25,000,000 or more (excluding partner and shareholder loans);

l. a body corporate who fulfils (on the date of its last financial statements) a "large undertaking" test, whereby it fulfils at least two of the following requirements:

   (i) holds total assets of AED 75,000,000 or more (excluding short-term liabilities and long-term liabilities);

   (ii) has a net annual revenue of AED 150,000,000 or more; or

   (iii) has an aggregate total of cash and investments on its balance sheet of, or its total equity (after deducting paid up share capital), is not less than AED 7,000,000.

- ***"Service-Based Professional Investors", which include:***

a. Any person conducting an activity involving the provision of credit facilities for commercial purposes for:

   (i) an undertaking;

   (ii) a person in control of an undertaking;

   (iii) any member of the group to which the undertaking belongs; or

   (iv) any joint investment venture in which the undertaking is a partner.

b. A person conducting credit facility and investment deal arrangement services in connection with structuring, financing, and companies.

- ***"Assessed Professional Investors" which include:***

a. a natural person who owns net assets, excluding the value of their main residence, of not less than AED 4,000,000 (a "HNWI");

   a natural person who is:

   (i) approved by the SCA or a similar supervisory authority;

   (ii) an employee of a licensed entity or a regulated financial institution who has been employed for the past two years;

   (iii) assessed to have sufficient knowledge and experience in respect of the relevant investments and their risks (following a suitability assessment); or

(iv) represented by an entity licensed by the SCA;

b. a natural person (the "account participant") with a joint account for investment management with a HNWI (the "main account holder"), provided that each of the following conditions are satisfied:

(i) the account participant must be an immediate or second degree relative of the main account holder;

(ii) the account is used to manage the investments of the main account holder and their subscribers; and

(iii) written confirmation is obtained from the subscriber (i.e. the account participant) confirming that investment decisions relating to the joint investment account are made on their behalf by the main account holder;

c. special purpose vehicles and trusts established for the purpose of managing an investment portfolio of assets for a HNWI;

d. an undertaking which:

(i) maintains an aggregate total of cash and investments on its balance sheet; or its total equity (after deducting paid up share capital), is not less than AED 4,000,000; and

(ii) has sufficient knowledge and experience in respect of the relevant investments and their risks (following a suitability assessment); and

e. an undertaking which:

(i) it has a controller (e.g. a person controlling the majority of the shares or voting rights in the relevant undertaking or possesses the ability to appoint or remove the majority of the relevant undertaking's board of directors),

(ii) a holding or subsidiary company or

(iii) a joint venture partner that meets the definition of a Deemed Professional Investor or an Assessed Professional Investor,

who, in each case, has been approved by the Company and the Selling Shareholder, in consultation with the Joint Lead Managers and to which the following characteristics apply: (a) a person outside the United States to whom an offer can be made in reliance on Regulation S under the US Securities Act; (b) a person in the DIFC to whom an offer can be made in accordance with the Markets Rules (MKT) Module of the DFSA Rulebook, and made only to persons who meet the "Deemed Professional Client" criteria set out in the Conduct of Business (COB) Module of the DFSA Rulebook and who are not natural persons; or (c) a person in the ADGM to whom an offer can be made in accordance with the Financial Services Regulatory Authority (the "**FSRA**") Financial Services and Markets Regulations (the "**FSMR**") and the FSRA Market Rules and made only to persons who are Professional Clients' as defined in the ADGM Conduct of Business Rulebook.

All Second Tranche Subscribers (Professional Investors) must hold a NIN with the ADX.

If all of the Offer Shares in the Second Tranche are not fully subscribed, then the Offer will be withdrawn.

The minimum application size for the Second Tranche Subscribers (Professional Investors) is AED 5,000,000 (five million UAE Dirhams).

There is no maximum application size for the Second Tranche Subscribers (Professional Investors).

C. Third Tranche

The Third Tranche offer will be made pursuant to this Prospectus, 0.17% of the Offer Shares, representing 1,500,000 (one million five hundred thousand) Shares are allocated to the Third Tranche. Each subscriber in the Third Tranche will be guaranteed a minimum allocation up to 4,000 (four thousand) Shares subject to the limits and conditions set out in this Prospectus. The final minimum guaranteed allocation for each Subscriber in the Third Tranche shall be determined at the end of the subscription period based on the total number of Subscribers in the Third Tranche and the Final Offer Price. The Selling Shareholder reserves the right to amend the minimum guaranteed amount after obtaining SCA's approval. Shares in the Third Tranche available for allocation in excess of the aggregate minimum guaranteed allocation shall be allocated on a pro-rata basis. The Third Tranche is restricted to the following persons:

ADNH Group Eligible Employees

Natural persons (including natural persons constituting Assessed Professional Investors (as described under the Second Tranche)), who have a bank account and hold an NIN with the ADX and do not participate in the First Tranche nor the Second Tranche and who are ADNH Group Eligible Employees and whose details have been shared by the Company with the Lead Receiving Bank on a daily basis until 12:00pm on 11 October 2024 and the ADX (except for any person who is resident in the United States within the meaning of the US Securities Act, as amended).

If all of the Offer Shares in the Third Tranche are not fully subscribed for, the unsubscribed Offer Shares will be available to the First Tranche Subscribers or to the Second Tranche Subscribers, or alternatively (in consultation with the SCA) the Selling Shareholder may (i) extend the Closing Date for the First Tranche, the Second Tranche and the Third Tranche and/or (ii) close the Offering at the level of applications received.

The Selling Shareholder reserves the right to amend the size of the Third Tranche at any time prior to the end of the subscription period at its sole discretion, subject to the approval of the SCA, provided that the subscription percentage of the subscribers in the Second Tranche does not fall below 60% of the Offer Shares and the subscription percentage of the subscribers in the First Tranche and Third Tranche does not exceed 40% of the Offer Shares in aggregate. All Third Tranche Subscribers must hold a NIN with the ADX.

The minimum application size for subscribers in this Tranche is AED 5,000 (five thousand UAE dirhams) with any additional application in increments of at least AED 1,000 (one thousand UAE dirhams).

There is no maximum application size for subscribers in this tranche.

Preferential rights up to 10% of the total Offer Shares for Subscribers who are shareholders of

ADNH at the Record Date:

Up to 10% (ten per cent) of the Offer Shares (the "**Reserved Shares"**) will be made available for allocation to existing shareholders of ADNH ("**ADNH Eligible Shareholder**") who apply in either the First Tranche or the Second Tranche only in priority to other applicants. Such persons will be identified by the cross-checking of applicant NINs against NINs of ADNH Eligible Shareholders. The ADNH Eligible Shareholders shall be accorded preferential rights to the Reserved Shares pro rata to their percentage holdings in ADNH as at the close of trading on 2 October 2024 (two days prior to the subscription commencement date). In case of over-subscription in the Reserved Shares, the balance of any application for Offer Shares in excess of the pro-rata entitlement to the Reserved Shares will be treated separately as a general application in the applicable Tranche on the basis of the size of the remaining unfulfilled order, and in accordance with the allocation policy for each relevant Tranche. In the event that the Reserved Shares are not fully subscribed, then the remaining Reserved Shares will become generally available to the First Tranche or the Second Tranche. Persons who acquire shares in ADNH after 2 October 2024 will not be entitled to any preferential allocation in the Reserved Shares. For the avoidance of doubt, applications by ADNH Eligible Shareholders in the Third Tranche will not qualify for priority allocation of Reserved Shares and shall be treated as applications of ADNH Group Eligible Employees.

Every Subscriber in any of the above-mentioned Tranches must hold a NIN with ADX and bank account number in order to be eligible to apply for Offer Shares. Subscribers may apply for Offer Shares in only one Tranche. In the event a person applies in more than one Tranche, the Lead Receiving Bank and the Joint Lead Managers in consultation with the Company and the Selling Shareholder may disregard one or both of such applications.

The approval of the Authority has been obtained for publication of the Prospectus for the offer and sale of the Offer Shares in a public subscription in the UAE (outside the ADGM and the DIFC). Other than in the ADGM, the Shares have not been registered with any other regulatory authority in any other jurisdiction.

The publication of the Arabic version of this Prospectus has been approved by the Authority.

A copy of the offering document for the Second Tranche (in English only), referred to as the "**Second Tranche Document**", which was not sighted or endorsed by the Authority, will be available at https://ipo.adnhc.me. No information contained in, or referred to in, the Second Tranche Document, forms part of, or is incorporated into this Prospectus.

Investment in the Offer Shares involves a high degree of risk. Prospective Subscribers should carefully read the "Investment Risks" section of the Prospectus to inform themselves about factors that should be considered before investing in the Offer Shares.

This Prospectus was issued on 30 September 2024.

This Prospectus is available on the website of the Company at https://ipo.adnhc.me

Name and Contact Details of the Offer Participants

JOINT LEAD *MANAGERS*

First Abu Dhabi Bank PJSC

FAB Building

Khalifa Business Park – Al Qurm District

P.O. Box 6316

Abu Dhabi, United Arab Emirates

Emirates NBD Capital PSC

1st Floor, Emirates NBD Head Office Building, Baniyas Road, Deira

P.O Box 2336

Dubai, United Arab Emirates

Tel: +971 4 201 2940

Abu Dhabi Commercial Bank PJSC

ADCB Head Office

Shk Zayed 1st Street

P.O. Box 939

Abu Dhabi, United Arab Emirates

LEAD RECEIVING BANK

First Abu Dhabi Bank PJSC

FAB Building

Khalifa Business Park – Al Qurm District

P.O. Box 6316

Abu Dhabi, United Arab Emirates

RECEIVING BANKS

As per the list of banks attached in Annex (3) to this Prospectus.

Listing Advisor

First Abu Dhabi Bank PJSC

FAB Building

Khalifa Business Park – Al Qurm District

P.O. Box 6316

Abu Dhabi, United Arab Emirates

IPO SUBSCRIPTION LEGAL COUNSEL

Legal advisor to the Company as to English and USA law

White & Case LLP

ICD Brookfield Place – Level 8 Reception, Al Mustaqbal St.

Dubai International Financial Centre

P.O. Box 9705

Dubai, United Arab Emirates

Legal advisor to the Company as to UAE and ADGM laws

IBRAHIM .N. PARTNERS

24th Floor, Al Sila Tower, ADGM Square

Tel: +971 2 694 8668

E-mail: Info@inp.legal

P.O. Box 5100746

Abu Dhabi, United Arab Emirates

Legal advisor to the Joint Lead Managers as to English and USA and ADGM law

Allen Overy Shearman Sterling LLP

5th Floor, Al Mamoura Building B

Muroor Road

Abu Dhabi, United Arab Emirates

INDEPENDENT AUDITORS TO THE COMPANY

From 1 October 2023

PricewaterhouseCoopers Limited Partnership (ADGM Branch)

Al Khatem Tower, Abu Dhabi Global Market

25th Floor, PO Box 45263

Abu Dhabi, United Arab Emirates

Tel: +971 2 694 6800 | Fax: +971 2 645 6610

INDEPENDENT AUDITORS TO THE COMPANY

KPMG Lower Gulf Limited

E-mail address: ae-fmclientsmarkets@kpmg.com

Dubai, United Arab Emirates

Telephone: +971 4 030300

IPO Subscription Auditor

KPMG Lower Gulf Limited

E-mail address: ae-fmclientsmarkets@kpmg.com

Dubai, United Arab Emirates

Telephone: +971 4 030300

Investor Relations

Name: Usman Saeed

Email Address: usman.saeed@adnhc.ae

Tel: +971 2 4087429

Address: Assigned Desk 2323L, 23rd Floor, Sky Tower, Shams Abu Dhabi, Al Reem Island Abu Dhabi, United Arab Emirates.

This Prospectus is available on the website of the Company at https://ipo.adnhc.me

This Prospectus was issued on 30 September 2024.

IMPORTANT NOTICE

(To be carefully read by all Subscribers)

- This Prospectus is intended to provide potential Subscribers with information to assist in deciding whether or not to apply for Offer Shares. Potential Subscribers should read this Prospectus in its entirety, and carefully review, examine and consider all data and information contained in it, before deciding whether or not to apply for Offer Shares (and, in particular, Section 8 ("**Investment Risks**")) as well as the Articles of Association of the Company, when considering making an investment in the Company.

- In making an investment decision, each potential Subscriber must rely on its own examination, analysis and enquiry of the Company and the terms of the Offering, including the merits and risks involved and obtain any necessary advice from his or her legal and financial advisors regarding the investment. An investment in Offer Shares entails considerable risks. Potential Subscribers should not apply for Offer Shares unless they are able to bear the loss of some or all of that investment.

- Recipients of this Prospectus are authorized solely to use this Prospectus for the purpose of considering the subscription in the Offer Shares, and may not reproduce or distribute this Prospectus, in whole or in part, and may not use any information herein for any purpose other than considering whether or not to apply for Offer Shares under the First Tranche and the Third Tranche. Recipients of this Prospectus agree to the foregoing by accepting delivery of this Prospectus.

- The contents of this Prospectus should not be construed as legal, financial or tax advice.

- The information contained in this Prospectus shall not be subject to revision or addition without securing the approval of the Authority and informing the public of such revision or addition by publication in two daily newspapers in accordance with the rules issued by the Authority. The Selling Shareholder reserves the right to cancel the Offering at any time and at its sole discretion with the prior written approval of the SCA.

- The Offer Shares are being offered for sale under this Prospectus for the purpose of subscription in the UAE only. This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities other than the Offer Shares or any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, Offer Shares by any person in any jurisdiction outside of the UAE (including the ADGM and the DIFC).

- This Prospectus is not being published or distributed, and must not be forwarded or transmitted, in or into or to any jurisdiction outside the UAE (including the ADGM and the DIFC). The Offer Shares have not been registered with any regulatory authority in any jurisdiction other than the SCA.

- If the Offer Shares are offered in another jurisdiction, the Offer Shares shall be offered in a manner that is compliant with the applicable laws and rules and acceptable to the relevant authorities in the relevant jurisdiction.

- This Prospectus is not intended to constitute a financial promotion, offer, sale or delivery of shares or other securities under the FSRA Markets Rules or the DIFC Markets Law or under the DIFC Markets Rules.

- The Offering has not been approved or licensed by the FSRA or DFSA and does not constitute an offer of securities in the ADGM in accordance with the FSRA Markets Rules or in the DIFC in accordance with the DIFC Markets Law or the DIFC Markets Rules.

- The publication of this Prospectus has been approved by the SCA. The SCA's approval of the publication of this Prospectus shall neither be deemed as an endorsement or approval of the subscription feasibility nor a recommendation of investment, but it means only that the minimum requirements according to the issuance rules and information disclosure applicable to the Prospectus and issued by the SCA have been met. The SCA and the ADX shall not be held liable for the accuracy, completeness or sufficiency of the information contained in this Prospectus, nor shall they be held liable for any damage or loss suffered by any person due to reliance upon this Prospectus or any part thereof.

The publication of this Prospectus was approved on 9 September 2024.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Historical financial information

The historical financial statements included in this Prospectus are:

- The audited combined financial statements of A D N H CATERING - L.L.C - O.P.C, A D N H Catering L.L.C, and A D N H Compass L.L.C SP for the financial years ended 30 September 2023 and 30 September 2022 (the "**Combined Annual Financial Statements**");

- The audited financial statements for the financial years ended 30 September 2023 and 30 September 2022 for A D N H CATERING - L.L.C - O.P.C. (Abu Dhabi);

- The audited financial statements for the financial years ended 30 September 2023 and 30 September 2022 for A D N H Catering L.L.C (Dubai);

- The audited financial statements for the financial years ended 30 September 2023 and 30 September 2022 of A D N H Compass L.L.C SP (Sharjah);

- The reviewed condensed consolidated interim financial information of the Company for the nine-month ended 30 June 2024 (the "**Company Interim Financial Statements**"); and

- The reviewed special purpose condensed combined interim financial information of A D N H CATERING - L.L.C - O.P.C, A D N H Catering L.L.C, and A D N H Compass L.L.C SP for the nine-months period ended 30 June 2024 (which include the unaudited and not reviewed comparative financial information for the nine-months period ended 30 June 2023) (the "**Combined Interim Financial Statements**").

(together (the "**Financial Statements**").

The Prospectus further contains the following financial information as found in Annex 1:

Unaudited pro forma financial information

- The selected unaudited and unreviewed pro-forma statement of profit and loss of the Company for the nine-month period ended 30 June 2024 (the "**Pro Forma Financial Information**").

Currency presentation

Unless otherwise indicated, all references in this document to:

"**UAE Dirham**" or "**AED**" are to the lawful currency of the United Arab Emirates; and

"**US dollar**" or "**USD**" are to the lawful currency of the United States of America.

The value of the UAE Dirham has been pegged to the US dollar at a rate of AED 3.6725 per USD 1 since 1997. All AED/USD conversions in this Prospectus have been calculated at this rate.

Rounding

Certain data in this Prospectus, including financial, statistical, and operating information, has been rounded. As a result of the rounding, the totals of data presented in this Prospectus may vary slightly from the actual arithmetic totals of such data. The percentages in tables have been rounded and accordingly may not add up to 100%.

FORWARD-LOOKING STATEMENTS

This Prospectus includes forward-looking statements. The forward-looking statements contained in this Prospectus speak only as of the date of this Prospectus. These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond the control of the Company and all of which are based on current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as “believe”, “expects”, “may”, “will”, “could”, “should”, “would”, “risk”, “intends”, “estimates”, “aims”, “plans”, “targets” “predicts”, “continues”, “assumes”, “positioned” “anticipates” “potential” or the negative thereof, other variations thereon or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding intentions, beliefs and current expectations concerning, among other things, results of operations, financial condition, liquidity, prospects, growth, strategies, and dividend policy and the industry in which the Company operates.

These forward-looking statements and other statements contained in this Prospectus regarding matters that are not historical facts as of the date of this Prospectus involve predictions. No assurance can be given that such future results will be achieved. There is no obligation or undertaking to update these forward-looking statements contained in this Prospectus to reflect any change in their expectations or any change in events, conditions, or circumstances on which such statements are based unless required to do so: (i) as a result of an important change with respect to a material point in this Prospectus; or (ii) by applicable laws of the UAE.

Actual events or results may differ materially as a result of risks and uncertainties that the Company faces. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed, or implied in such forward-looking statements. Please refer to Section 8 (“**Investment Risks**”) for further information.

IMPORTANT INFORMATION

This Prospectus does not constitute or form part of any offer or invitation to sell, or issue, or any solicitation of any offer to purchase or subscribe for, any securities other than the securities to which it relates or any offer or invitation to sell, or issue, or any solicitation of any offer to purchase or subscribe for, such securities by any person in any circumstances in which such offer or solicitation is unlawful.

Recipients of this Prospectus are authorized solely to use this Prospectus for the purpose of considering making an investment in the Offer Shares, and may not reproduce or distribute this Prospectus, in whole or in part, and may not use any information herein for any purpose other than considering an investment in the Offer Shares. Recipients of this Prospectus agree to the foregoing by accepting delivery of this Prospectus. Prior to making any decision as to whether to invest in the Offer Shares, prospective Subscribers should read this Prospectus in its entirety (and, in particular, the section headed "**Investment Risks**") as well as the Articles of Association of the Company. In making an investment decision, each Subscriber must rely on their own examination, analysis and enquiry of the Company and the terms of the Offering, including the merits and risks involved.

No person is authorized to give any information or to make any representation or warranty in connection with the Offer or Offer Shares which is not contained in this Prospectus and, if given or made, such information or representations must not be relied on as having been so authorized by the Company, the Selling Shareholder or the other Offer Participants. By applying for Offer Shares, a Subscriber acknowledges that (i) they have relied only on the information in this Prospectus and (ii) no other information has been authorized by the Company, the Selling Shareholder, any other Offer Participant, or any other of the Company's advisors (the "**Advisors**").

No person or Advisor, except the Joint Lead Managers and the Receiving Banks set out on pages 10 11 and 12, are participating in, receiving subscription funds from, or managing, the public offering of the Offer Shares in the UAE.

Neither the content of the Company's website or any other website referred to in the Prospectus, nor the content of any website accessible from hyperlinks on any of such websites, forms part of, or is incorporated into, this Prospectus, and neither the Company, the Selling Shareholder, any other Offer Participant, nor any Advisor bears or accepts any responsibility for the contents of such websites.

None of the Company, the Selling Shareholder, the Offer Participants, the Joint Lead Managers, the Joint Bookrunners, or the Advisors or any of their respective representatives accept any responsibility for the accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media regarding the Company, the Offer or the Offer Shares. None of the Company, the Selling Shareholder, the Offer Participants, the Joint Lead Managers, the Joint Bookrunners or the Advisors or any of their respective representatives makes any representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication.

None of the Company, the Selling Shareholder, any of the Offer Participants, the Joint Lead Managers, the Joint Bookrunners or the Advisors or any of their respective representatives warrants or guarantees the future performance of the Company, or any return on any investment made pursuant to this Prospectus.

Statements contained in this Prospectus are made as at the date of this Prospectus unless some prior time is specified in relation to them and the publication of this Prospectus (or any action taken pursuant to it) must not be interpreted as giving rise to any implication that there has been no change in the condition, facts or affairs of the Company since such date.

This Prospectus will not be subject to revision, unless the prior written approval of the SCA is received. Any revision will become effective only after it has been announced in two daily newspapers circulating in the UAE. The Selling Shareholder reserves the right, with the prior approval of the SCA, to withdraw the Prospectus and cancel the Offer at any time and in its sole discretion. If the Offer is withdrawn, the subscription amounts will be fully refunded to the Subscribers, along with any accrued profits. Neither the delivery of this Prospectus nor any sale made under it may, under any circumstances, be taken to imply that there has been no change in the affairs of the Company since the date of this Prospectus or that the information in it is correct as of any subsequent time.

First Abu Dhabi Bank PJSC has been appointed as listing advisor ("**Listing Advisor**"). First Abu Dhabi Bank PJSC, Emirates NBD Capital PSC and Abu Dhabi Commercial Bank PJSC have been appointed as the Joint Lead Managers (the "**Joint Lead Manager**"), and each has obtained its license by the SCA on 5 November 2017, 10 October 2018 and 27 October 2021 respectively, and will manage the issuance, marketing and promotion of the Offer Shares and coordinate with the Company, the SCA and the other Offer Participants with regard to the offering of the Offer Shares in the UAE. First Abu Dhabi Bank PJSC has also been appointed as lead receiving bank (the "**Lead Receiving Bank**") and, in its capacity as such, is responsible for receiving the subscription amounts set out in this Prospectus in accordance with the rules and laws applicable in and within the UAE under the First Tranche, the Second Tranche and the Third Tranche.

Each of the Offer Participants shall be liable for its participation in the Offering process, including the Selling Shareholder and the Board members, with regard to the validity of the information contained in this Prospectus within the limits of the scope of work and expertise of each Offer Participant.

First Abu Dhabi Bank PJSC, Emirates NBD Capital PSC and Abu Dhabi Commercial Bank PJSC and other regional and international investment banks have been appointed as joint bookrunners (the "**Joint Bookrunners**").

The Joint Lead Managers are acting exclusively for the Company and the Selling Shareholder and no one else in connection with the Offer and will not regard any other person (whether or not a recipient of this Prospectus) as a client to any of the Offer Participants in relation to the Offer. Whereas the Advisors and the Offer Participants and their representatives shall act with due care, and each of them shall be liable to perform his duties.

The Joint Lead Managers and the Offer Participants may have engaged (directly or through their respective affiliates) in transactions with, and provided various investment banking, financial advisory and other services for, the Company and the Selling Shareholder for which they would have received customary fees. Any previous transactions between the Joint Lead Managers and the Offer Participants and the Company do not constitute any conflict of interest between them.

The Board members of the Company whose names are set out in this Prospectus assume joint and several responsibility for the completeness, accuracy and verification of the contents of this Prospectus. They declare that, they have carried out appropriate due diligence investigations, that the information contained in this Prospectus is, at the date hereof, factually accurate, complete and correct and that there is no omission of any information that would make any statement in this Prospectus materially misleading.

This Prospectus contains data submitted according to the issuance and disclosure rules issued by the SCA.

In making an investment decision, each potential Subscriber must rely on its own examination and analysis, having reviewed the information contained in this Prospectus (in its entirety) that has been provided by the Selling Shareholder and the Board members of the Company whose names are set out in this Prospectus.

No action has been taken or will be taken in any jurisdiction other than the UAE that would permit a public subscription or sale of the Offer Shares or the possession, circulation or distribution of this Prospectus, or any other material relating to the Company or the Offer Shares, in any country or jurisdiction where any action for that purpose is required. Offer Shares may not be offered or sold, directly or indirectly, nor may this Prospectus or any other offer material or advertisement or other document or information in connection with the Offer Shares be distributed or published, in or from any country or jurisdiction except in compliance with any applicable rules and regulations of any such country or jurisdiction. Persons into whose possession this Prospectus comes must inform themselves of and observe all such restrictions.

None of the Company, the Selling Shareholder, any of the Offer Participants, the Joint Lead Managers, the Joint Bookrunners, or the Advisors accepts any responsibility for any violation of any such restrictions on the sale, offer to sell or solicitation to purchase Offer Shares by any person, whether or not a prospective purchaser of Offer Shares in any jurisdiction outside the UAE (including the ADGM and the DIFC), and whether such offer or solicitation was made orally or in writing, including by way of electronic mail. None of the Company, the Selling Shareholder, the Offer Participants, the Joint Lead Managers, the Joint Bookrunners or the Advisors (or their respective representatives) makes any representation to any potential Subscriber regarding the legality of applying for Offer Shares by such potential Subscriber under the laws applicable to such potential Subscriber.

Apart from the responsibilities and liabilities, if any, which may be imposed on any of the Joint Lead Managers, or the Joint Bookrunners under the regulatory regime of any jurisdiction where the exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, none of the Joint Lead Managers, Joint Bookrunners and their respective subsidiary undertakings and affiliates and their (or their subsidiary undertakings' or affiliates') respective directors, officers, employees or agents accepts any responsibility whatsoever or makes any representation or warranty, express or implied, as to the accuracy, completeness or verification of the contents of this Prospectus or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Offer Shares or the Offering and nothing in this Prospectus should be relied upon as a promise or representation in this respect, whether or not to the past or future. Each of the Joint Lead Managers, the Joint Bookrunners and their respective subsidiary undertakings and affiliates and their (or their subsidiary undertakings' or affiliates') respective directors, officers, employees or agents accordingly disclaims all and any responsibility or liability whatsoever which it might otherwise have in respect of this Prospectus or any such statement or the public offering of the Offer Shares in the UAE generally. The Board of Directors named in this Prospectus are individually and jointly responsible for the accuracy, completeness and correctness of the content of this Prospectus. They acknowledge that, having carried out due diligence investigations, the information contained in this Prospectus as at the date of issue is factual, accurate, complete, and correct and that no information has been omitted which would make any statement in this Prospectus misleading. The Selling Shareholder and the Board of Directors assume responsibility for the completeness and accuracy of the information contained in this Prospectus. The Offer Participants and the advisors and their respective representatives are required to exercise due care and each of them shall be liable to perform his duties.

The publication of this Prospectus was approved by the SCA on 9 September 2024.

Definitions and Abbreviations

ADGM	Abu Dhabi Global Market.
ADNH	Abu Dhabi National Hotels Company PJSC
ADNH Catering Abu Dhabi	ADNH Catering L.L.C O.P.C (Abu Dhabi)
ADNH Catering Sharjah	A D N H Compass L.L.C O.P.C
ADNH Catering Dubai	A D N H Catering L.L.C
ADNH Group	ADNH and its subsidiaries.
ADNH Group Eligible Employees	The relevant eligible individuals employed by the ADNH Group who have expressed their interest and are approved by ADNH to participate in the Third Tranche.
ADX	Abu Dhabi Securities Exchange in the UAE.
AED or UAE Dirham	The lawful currency of the United Arab Emirates.
Articles of Association	The articles of association of the Company, as set out in Annex 2.
Authority or SCA	The Securities and Commodities Authority of the United Arab Emirates.
Board or Board of Directors	The board of directors of the Company.
CAGR	Compound annual growth rate.
Closing Date	14 October 2024 for the First Tranche and the Third Tranche and 15 October 2024 for the Second Tranche.
Companies Regulations	ADGM Companies Regulations 2020 (as amended).
Company	A D N H Catering plc, a public company limited by shares incorporated in the ADGM pursuant to the Companies Regulations.

Company Interim Financial Statements	The reviewed condensed consolidated interim financial information of the Company for the nine-month ended 30 June 2024.
Combined Interim Financial Statements	The special purpose condensed combined interim financial information of A D N H CATERING - L.L.C - O.P.C, A D N H Catering L.L.C, and A D N H Compass L.L.C SP for the nine-month period ended 30 June 2024.
DFSA	Dubai Financial Services Authority in the UAE.
DIFC	Dubai International Financial Centre.
Directors	The Executive Board Members and the Non-Executive Board Members.
Electronic Applications	Applications via online banking / mobile banking / FTS and ATMS as provided by the Receiving Banks and ADX to the First Tranche Subscribers and First Tranche Subscribers.
EU	The European Union.
European Economic Area	The market consisting of the EU member states and EFTA states.
Final Offer Price	The offer price at which all the Subscribers in the First Tranche, the Second Tranche and the Third Tranche will purchase each Offer Share will be at the Final Offer Price. The Final Offer Price of each Offer Share will be determined following a bookbuild process for the Second Tranche and following consultation between the Joint Lead Managers, the Selling Shareholder and the Company. The shares of the Second Tranche Subscribers must represent all of the Offer Shares used to calculate the Final Offer Price of each Offer Share. Following closing of the Second Tranche, the Company will publish an announcement setting out the Final Offer Price (the "**Offer Price Announcement**"), on the following website: https://ipo.adnhc.me.

Financial Statements	• The audited combined financial statements of A D N H CATERING - L.L.C - O.P.C, A D N H Catering L.L.C, and A D N H Compass L.L.C SP for the financial years ended 30 September 2023 and 30 September 2022; • The audited financial statements for the financial years ended 30 September 2023 and 30 September 2022 for A D N H CATERING - L.L.C - O.P.C.(Abu Dhabi); • The audited financial statements for the financial years ended 30 September 2023 and 30 September 2022 for A D N H Catering L.L.C (Dubai); • The audited financial statements for the financial years ended 30 September 2023 and 30 September 2022 of A D N H Compass L.L.C SP (Sharjah); • The reviewed condensed consolidated interim financial information of the Company for the nine-month period ended 30 June 2024; and • The reviewed special purpose condensed combined interim financial information of A D N H CATERING - L.L.C - O.P.C, A D N H Catering L.L.C, and A D N H Compass L.L.C SP for the nine-months period ended 30 June 2024 (which included the unaudited and unreviewed comparative financial information for the nine-months period ended 30 June 2023). The Financial Statements are found in Annex 1 of this Prospectus.
Financial year	The financial year of the Company starts on 1 January and ends on 31 December of each year.
First Tranche	The Offering of the Offer Shares in the UAE to First Tranche Subscribers.
First Tranche Subscribers	Individual Subscribers and other investors (including natural persons, companies and establishments) who do not participate in the Second Tranche and who hold a NIN with the ADX and have a bank account.
FSMR	ADGM Financial Services and Markets Regulations 2015.
FSRA	ADGM Financial Services Regulatory Authority.

FTS Fund Transfer Mode (FTS)	UAE Central Bank Fund Transfer (“**FTS**”) mode.
GCC	Gulf Cooperation Council countries comprising the United Arab Emirates, Kingdom of Saudi Arabia, Sultanate of Oman, State of Qatar, State of Kuwait and Kingdom of Bahrain.
GDP	Gross Domestic Product.
Governance Rules	The Chairman of the SCA’s Board of Directors’ Decision No. (3/R.M) of 2020 Concerning Approval of Joint Stock Companies Governance Guide (as amended from time to time).
Group, our, us or we	The Company and its subsidiaries.
IFRS	International Financial Reporting Standards.
Individual Subscribers	Natural persons who hold a NIN with the ADX and have a bank account (including natural persons constituting Assessed Professional Investors who do not participate in the Second Tranche). There are no citizenship or residence requirements.
Joint Bookrunners	First Abu Dhabi Bank PJSC, Emirates NBD Capital PJSC and Abu Dhabi Commercial Bank PJSC and other regional and international investment banks.
Joint Lead Managers	First Abu Dhabi Bank PJSC, Emirates NBD Capital PSC and Abu Dhabi Commercial Bank PJSC.
Lead Receiving Bank	First Abu Dhabi Bank PJSC.
Listing	The listing of the Shares to trading on the ADX.
Listing Advisor	First Abu Dhabi Bank PJSC.
Manager’s Cheque	Certified bank cheque drawn on a bank licensed and operating in the United Arab Emirates.
Maximum Investment	No maximum subscription in Offer Shares has been set.

MENA	Middle East and North Africa.
Minimum Investment	The minimum subscription for Offer Shares in the First Tranche has been set at AED 5,000 (five thousand UAE Dirhams), with any additional investment to be made in increments of at least AED 1,000 (one thousand UAE Dirhams). The minimum subscription for Offer Shares in the Second Tranche has been set at AED 5,000,000 (five million UAE Dirhams). The minimum subscription for Offer Shares in the Third Tranche has been set at AED 5,000 (five thousand UAE Dirhams), with any additional investment to be made in increments of at least AED 1,000 (one thousand UAE Dirhams) (see the section on "**Subscription Amounts**" in the first section of this Prospectus for further details).
NIN	A unified investor number that a Subscriber must obtain from ADX for the purposes of subscription.
Non-Executive Directors	The non-executive Directors of the Company.
Northern Emirates	Sharjah, Ajman, Fujairah, Ras al-Khaimah, and Umm al-Quwain.
Offer Participants	The entities listed on pages 10, 11 and 12 of this Prospectus.
Offer Period	The subscription period for the First Tranche, the Second Tranche and the Third Tranche starts on 7 October 2024 and will close on 14 October 2024 for the First Tranche and the Third Tranche and on 15 October 2024 for the Second Tranche.
Offer Price Range	The Offer Shares are being offered at an offer price range in AED that will be published on the first business day and prior to the start of the Offer Period.
Offer Shares	900,000,000 (nine hundred million) Shares which will be sold by the Selling Shareholder in a public subscription process. The Selling Shareholder reserves the right to amend the size of the Offering and the size of each Tranche at any time prior to the end of the subscription period at its sole discretion, subject to the applicable laws and the SCA's approval.

Offering or Offer	The public subscription of 900,000,000 (nine hundred million) of the ordinary shares with a nominal value of AED 0.10 (ten fils) each representing 40% of the total issued shares in the Company which are being offered for sale by the Selling Shareholder. The Selling Shareholder reserves the right to amend the size of the Offering and the size of each Tranche at any time prior to the send of the subscription period at its sole discretion, subject to applicable laws of the UAE and the SCA's approval.
Offering Regulations	SCA Chairman of the Board Resolution No. (11/R.M) of 2016 on the Regulations for Issuing and Offering Shares of Public Joint Stock Companies, as amended.
Professional Client	Persons who meet the Professional Client criteria set out in Rule 2.3.2 of the DFSA Conduct of Business Module.
Professional Investors	"**Professional Investors**" (as defined in the SCA Board of Directors' Chairman Decision No.13/R.M of 2021 (as amended from time to time)), which specifically include those investors which can be categorised in the following manner: • ***"Deemed Professional Investors" which include:*** • international corporations and organisations whose members are state, central banks or national monetary authorities; • governments, government institutions, their investment and non-investment bodies and companies wholly owned by them; • central banks or national monetary authorities in any country, state or legal authority; • capital market institutions licensed by the SCA or regulated by a supervisory authority equivalent to the SCA; • financial institutions; • regulated financial institutions, local or foreign mutual investment funds, regulated pension fund management companies and regulated pension funds; • any entity whose main activity represents investment in financial instruments, asset securitisation or financial transactions;

	• any company whose shares are listed or accepted to trade in any market of an IOSCO member country; • a trustee of a trust which has, during the past 12 months, assets of AED 35,000,000 or more; • licensed family offices with assets of AED 15,000,000 or more; • joint ventures and associations which have or had, at any time during the past two years, net assets of AED 25,000,000 or more (excluding partner and shareholder loans); • a body corporate who fulfils (on the date of its last financial statements) a "large undertaking" test, whereby it fulfils at least two of the following requirements: i. holds total assets of AED 75,000,000 or more (excluding short-term liabilities and long-term liabilities); ii. has a net annual revenue of AED 150,000,000 or more; or iii. an aggregate total of cash and investments on its balance sheet; or its total equity (after deducting paid up share capital), is not less than AED 7,000,000. • ***"Service-Based Professional Investors", which include:*** • **Any person conducting an activity involving the provision of credit facilities for commercial purposes for:** i. an undertaking; ii. a person in control of an undertaking; iii. any member of the group to which the undertaking belongs; or iv. any joint investment venture in which the undertaking is a partner. • **A person conducting credit facility and investment deal arrangement services in connection with structuring, financing, and companies.** • ***"Assessed Professional Investors" which include:*** **f. A natural person who owns net assets, excluding the value of their main residence, of not less than AED**

	4,000,000 (a "HNWI"); **a natural person** who is: i. approved by the SCA or a similar supervisory authority; ii. an employee of a licensed entity or a regulated financial institution who has been employed for the past two years; iii. assessed to have sufficient knowledge and experience in respect of the relevant investments and their risks (following a suitability assessment); or iv. represented by an entity licensed by the SCA. **g. A natural person (the "account participant") with a joint account for investment management with a HNWI (the "main account holder"), provided that each of the following conditions are satisfied:** i. the account participant must be an immediate or second degree relative of the main account holder; ii. the account is used to manage the investments of the main account holder and their subscribers; and iii. written confirmation is obtained from the subscriber (i.e. the account participant) confirming that investment decisions relating to the joint investment account are made on their behalf by the main account holder. **h. Special purpose vehicles and trusts established for the purpose of managing an investment portfolio of assets for a HNWI;** **i. An undertaking which satisfies the following requirements:** i. maintains an aggregate total of cash and investments on its balance sheet; or its total equity (after deducting paid up share capital), is not less than AED 4,000,000; and ii. has sufficient knowledge and experience in respect of the relevant investments and their risks (following a suitability assessment). **j. An undertaking which:** i. has a controller (e.g. a person controlling the majority of the shares or voting rights in the

	relevant undertaking or possesses the ability to appoint or remove the majority of the relevant undertaking's board of directors); ii. is a holding or subsidiary company or iii. is a joint venture partner that meets the definition of a Deemed Professional Investor or an Assessed Professional Investor, who, in each case, has been approved by the Company and the Selling Shareholder, in consultation with the Joint Lead Managers and to which the following characteristics apply: (a) a person outside the United States to whom an offer can be made in reliance on Regulation S under the US Securities Act; (b) a person in the DIFC to whom an offer can be made in accordance with the Markets Rules (MKT) Module of the DFSA Rulebook, and made only to persons who meet the "Deemed Professional Client" criteria set out in the Conduct of Business (COB) Module of the DFSA Rulebook and who are not natural persons; or (c) a person in the ADGM to whom an offer can be made in accordance with the Financial Services Regulatory Authority (the "**FSRA**") Financial Services and Markets Regulations (the "**FSMR**") and the FSRA Market Rules and made only to persons who are Professional Clients' as defined in the ADGM Conduct of Business Rulebook.
Receiving Banks	The list of banks attached in Annex 3 of this Prospectus.
Record Date	4 October 2024.
Regulation S	Regulation S under the US Securities Act.
Reserved Shares	Up to 10% (ten per cent) of the Offer Shares will be made available for allocation to ADNH Eligible Shareholder who apply in either the First Tranche or the Second Tranche only in priority to other applicants.
Second Tranche	The offer of Offer Shares to Second Tranche Subscribers made under the Second Tranche Document.
Second Tranche Document	The Second Tranche offer document has been drafted in a specific manner to be addressed only to Professional Investors for the Second Tranche and in compliance with the laws and regulations of the relevant competent jurisdictions and acceptable to such jurisdictions, and it has not been

	reviewed, endorsed or approved by the SCA, and the offer document does not form part of this Prospectus and the information contained therein does not form part of this Prospectus. The offer document for the Second Tranche will be available at https://ipo.adnhc.me.
Second Tranche Subscribers	Professional Investors.
Selling Shareholder	Abu Dhabi National Hotels Company PJSC.
Shareholder	Holder of Shares in the capital of the Company.
Shares	The ordinary shares of the Company with a nominal value of AED 0.10 (ten fils) each.
SMS	Short Message Service.
Subscriber	A natural or juridical applicant, in either case who applies for subscription in the Offer Shares.
Third Tranche	The offer of Offer Shares to Third Tranche Subscribers made under this Prospectus.
Third Tranche Subscribers	ADNH Group Eligible Employees
Tranche	The First Tranche or the Second Tranche or the Third Tranche.
UAE	United Arab Emirates.
UAE Central Bank	The central bank of the United Arab Emirates.
UK	The United Kingdom of Great Britain and Northern Ireland.
UK Bribery Act of 2010	The UK Bribery Act of 2010 covering offences relating to bribery and for connected purposes.
Underwriting Agreement	The underwriting agreement among the Company, the Selling Shareholder and the Joint Bookrunners.

United States or US	The United States of America, its territories and possessions, any State of the United States of America, and the District of Columbia.
U.S. Foreign Corrupt Practices Act of 1977	The act to amend the US Securities Exchange Act of 1934 (as amended) to make it unlawful for certain issuers to make certain payments to foreign officials and other foreign persons, to require such issuers to maintain accurate records, and for other purposes.
US Securities Act	The US Securities Act of 1933, as amended.
VAT	Value added tax.

First Section: Subscription terms and conditions

Key details of Offer Shares for sale to the public

- **Name of the Company:** A D N H Catering plc (Free Zone Company).
- **Commercial license of the Company:** Commercial License No 19524.
- **Company head office:** Assigned Desk 2323L, 23rd Floor, Sky Tower, Shams Abu Dhabi, Al Reem Island, Abu Dhabi, United Arab Emirates.
- **Share capital**: The share capital of the Company as at the date of this Prospectus has been set at AED 225,000,000 divided into 2,250,000,000 (two billion two hundred fifty million) Shares paid-in-full, with the nominal value of each Share being AED 0.10 (ten fils).
- **Percentage, number and type of the Offer Shares:** 900,000,000 (nine hundred million) Shares, all of which are ordinary shares, all Shares are of the same class and shall carry equal voting rights and shall rank pari passu in all other rights and obligations, and which constitute of 40% of the Company's issued share capital (this percentage has been calculated based on the total number of Shares in the capital as at the Listing date)**.**
- **Offer Price Range per Offer Share:** The Offer Price Range will be in UAE Dirhams and announced on the same day and before opening of the Offer Period on 7 October 2024.
- **Eligibility of the qualified categories of Subscriber to apply for the acquisition of the Offer Shares:**
  - **First Tranche:** The First Tranche of the Offering will be open to First Tranche Subscribers as described on the cover page of this Prospectus and the "**Definitions and Abbreviations**" section of this Prospectus. All Subscribers in the First Tranche must hold a NIN with ADX and a bank account number. 9.83% of the Offer Shares, representing 88,500,000 (eighty eight million five hundred thousand) Shares are allocated to the First Tranche. The Selling Shareholder reserves the right to amend the size of the First Tranche at any time prior to the end of the subscription period at its sole discretion, subject to the approval of the SCA, provided that the subscription percentage of the Subscribers in the Second Tranche does not fall below 60% (sixty per cent) of the Offer Shares and the subscription percentage of the Subscribers in the First Tranche and the Third Tranche does not exceed 40% (forty per cent) of the Offer Shares in aggregate.
  - **Second Tranche:** The Second Tranche of the Offering will be open to Second Tranche Subscribers as described on the cover page of this Prospectus and the "Definitions and Abbreviations" section of this Prospectus. All Subscribers in the Second Tranche must hold a NIN with ADX. 90% (ninety per cent) of the Offer Shares, representing 810,000,000 (eight hundred ten million) Shares are allocated to the Second Tranche. The Selling Shareholder reserves the right to amend the size of the Second Tranche at any time prior to the end of the subscription period at its sole discretion, subject to the applicable laws of the UAE and the approval of SCA, provided that the subscription percentage of the Subscribers in the Second Tranche does not fall below 60% of the Offer Shares and the subscription percentage of the

Subscribers in the First Tranche and the Third Trance does not exceed 40% of the Offer Shares in aggregate.

- **Third Tranche:** The Third Tranche of the Offering will be open to Third Tranche Subscribers as described on the cover page of this Prospectus and the "**Definitions and Abbreviations**" section of this Prospectus. All Subscribers in the Third Tranche must hold a NIN with ADX and a bank account number. 0.17% of the Offer Shares, representing 1,500,000 (one million five hundred thousand) Shares are allocated to the Third Tranche. The Selling Shareholder reserves the right to amend the size of the Third Tranche at any time prior to the end of the subscription period at its sole discretion, subject to the approval of the SCA, provided that the subscription percentage of the Subscribers in the Second Tranche does not fall below 60% (sixty per cent) of the Offer Shares and the subscription percentage of the Subscribers in the First Tranche and the Third Tranche does not exceed 40% (forty per cent) of the Offer Shares in aggregate.

- **Preferential rights up to 10% of the total Offer Shares for Subscribers who are shareholders of ADNH at the Record Date:** Up to 10% (ten per cent) of the Offer Shares will be made available for allocation to ADNH Eligible Shareholder who apply in either the First Tranche or the Second Tranche only in priority to other applicants. Such persons will be identified by the cross-checking of applicant NINs against NINs of ADNH Eligible Shareholders. The ADNH Eligible Shareholders shall be accorded preferential rights to the Reserved Shares pro rata to their percentage holdings in ADNH as at the close of trading on 2 October 2024 (two days prior to the subscription commencement date). In case of over-subscription in the Reserved Shares, the balance of any application for Offer Shares in excess of the pro-rata entitlement to the Reserved Shares will be treated separately as a general application in the applicable Tranche on the basis of the size of the remaining unfulfilled order, and in accordance with the allocation policy for each relevant Tranche. In the event that the Reserved Shares are not fully subscribed, then the remaining Reserved Shares will become generally available to the First Tranche or the Second Tranche. Persons who acquire shares in ADNH after 2 October 2024 will not be entitled to any preferential allocation in the Reserved Shares. For the avoidance of doubt, applications by ADNH Eligible Shareholders in the Third Tranche will not qualify for priority allocation of Reserved Shares and shall be treated as applications of ADNH Group Eligible Employees.

- **Public subscription in the Offer Shares is prohibited as follows:**

  Public subscription is prohibited to any Subscriber whose investment is restricted by the laws of the jurisdiction where the Subscriber resides or by the laws of the jurisdiction to which the Subscriber is situated. It is the Subscriber's responsibility to determine whether the Subscriber's application for, and investment in, the Offer Shares conforms to the laws of the applicable jurisdiction(s).

- **Minimum Investment:**

  The minimum subscription in Offer Shares in the First Tranche has been set at AED 5,000 (five thousand UAE Dirhams) with any additional investment to be made in AED 1,000 (one thousand UAE Dirhams) increments. The minimum subscription for Offer Shares in the Second Tranche has been set at AED 5,000,000 (five million UAE Dirhams). The minimum subscription in Offer Shares in the Third Tranche has been set at AED 5,000 (five thousand UAE Dirhams) with any additional investment to be made in AED 1,000 (one thousand UAE Dirhams) increments.

- **Maximum Investment:**

  No maximum subscription in Offer Shares has been set.

- **Subscription by Selling Shareholder:**

  The Selling Shareholder may not subscribe for Offer Shares, whether directly or indirectly, or through any of its subsidiaries.

- **Lock-up period:**

  Pursuant to an underwriting agreement to be entered into between the Company, the Selling Shareholder and the Joint Bookrunners prior to the date of Listing (the "**Underwriting Agreement**"), the Shares held by the Selling Shareholder following Listing shall be subject to a lock-up which ends 180 days after the date of Listing.

- **Reasons for the Offering and Use of Offer Proceeds**

  The net proceeds generated by the Offering (after base fees and discretionary fees are paid) will be received by the Selling Shareholder. The Group will not receive any proceeds from the Offering other than reimbursement from the Selling Shareholder for any expenses relating to the Offering. All expenses of the Offering (including base commissions and any discretionary fees) will be borne by the Selling Shareholder. The Offering is being conducted, among other reasons, to allow the Selling Shareholder to sell part of its respective shareholding, while raising the Group's profile with the investment community.

Further Information on the First Tranche and the Third Tranche

1. Subscription Applications

Each Subscriber in the First Tranche and the Third Tranche may submit one subscription application only (i) in the case of a subscription application by a natural person, in his or her personal name (unless he or she is acting as a representative for another Subscriber, in which case the subscription application will be submitted in the name of such Subscriber); or (ii) in the case of a subscription application by a corporate entity, in its corporate name. In case a Subscriber submits more than one application in his or her personal name or its corporate name, the Receiving Banks and the Joint Lead Managers reserves the right to disqualify all or some of the subscription applications submitted by such Subscriber and not to allocate any Offer Shares to such Subscriber.

Subscribers must complete all of the relevant fields in the subscription application along with all required documents and submit it to any Receiving Bank together with the subscription amount during the Offer Period for the First Tranche and the Third Tranche.

The completed subscription application should be clear and fully legible. If it is not, the Receiving Banks shall refuse to accept the subscription application from the Subscriber until the Subscriber satisfies all the required information or documentation before the close of the subscription.

Subscription for Offer Shares would deem the Subscriber to have accepted the Articles of Association of the Company and complied with all the resolutions issued by the Company's general meeting. Any conditions added to the subscription application shall be deemed null and void. No photocopies of subscription applications shall be accepted. The subscription application should only be fully completed after reviewing this Prospectus and the Company's Articles of Association. The subscription application then needs to be submitted to any of the Receiving Banks' branches mentioned herein or through electronic channels (see "**Electronic subscription**").

The Subscribers or their representatives shall affirm the accuracy of the information contained in the application in the presence of the bank representative in which the subscription was made. Each subscription application shall be clearly signed or certified by the Subscriber or his or her representative.

The Receiving Banks and the Joint Lead Managers may reject subscription applications submitted by any Subscriber in the First Tranche and the Third Tranche for any of the following reasons:

- If the subscription application form is not complete or is not correct with regard to the amount paid or submitted documents (and no Offer Participant takes responsibility for non-receipt of an allotment of Offer Shares if the address of the subscribers is not filled in correctly);

- If the subscription application amount is paid using a method that is not a permitted method of payment;

- If the subscription application amount presented with the subscription application does not match the minimum required investment or the increments set for the First Tranche and Third Tranche offer;

- If the completed subscription application form is not clear and fully legible;
- If the Manager's Cheque is returned for any reason;
- If the amount in the bank account mentioned in the subscription application form is insufficient to pay for the application amount mentioned in the subscription application form or the Receiving Bank is unable to apply the amount towards the application whether due to signature mismatch or any other reasons;
- If the NIN is not made available to ADX or if the NIN is incorrect;
- If the subscription application is found to be duplicated (any acceptance of such duplicate application is solely at the discretion of the Company and the Selling Shareholder);
- If the subscription application is otherwise found not to be in accordance with the terms of the Offering;
- If the Subscriber is found to have submitted more than one application (it is not permitted to apply in more than one of the First Tranche or the Second Tranche or the Third Tranche, nor is it permitted to apply in either Tranche more than once), any acceptance of such duplicate/multiple application(s) is solely at the discretion of the Company and the Selling Shareholder;
- If the Subscriber is a natural person and is found to have submitted the subscription application other than in his or her personal name (unless he or she is acting as a representative for another Subscriber);
- If a Subscriber has not adhered to the rules applicable to the First Tranche or the Second Tranche or the Third Tranche offers;
- If it is otherwise necessary to reject the subscription application to ensure compliance with the provisions of the Companies Regulations, the Articles of Association, this Prospectus or the requirements of the UAE Central Bank, the SCA or the ADX; or
- If for any reason FTS/SWIFT/online/mobile/ATM subscription Channels transfer fails or the required information in the special fields is not enough to process the application.

The Receiving Banks and the Joint Lead Managers may reject the application for any of the reasons listed above at any time until allocation of the Offer Shares and have no obligation to inform the subscribers before the notification of the allocation of Shares to such rejected Subscribers.

2. Documents accompanying subscription applications

Subscribers shall submit the following documents along with their subscription application forms:

For individuals who are UAE or GCC nationals or nationals of any other country:

- The original and a copy of a valid passport or Emirates ID; and

- In case the signatory is different from the Subscriber:
- the duly notarized power of attorney held by that signatory or a certified copy by UAE-regulated persons/bodies, such as a notary public, or as otherwise duly regulated in the country;
- the original passport/Emirates ID of the signatory for verification of signature and a copy of the original passport/Emirates ID; and
- a copy of the passport/Emirates ID of the Subscriber for verification of signature; or
- In case the signatory is a guardian of a minor, the following will be submitted:
  - Original and copy of the guardian's passport/Emirates ID for verification of signature;
  - Original and copy of the minor's passport; and
  - If the guardian is appointed by the court, original and copy of the guardianship deed attested by the court and other competent authorities (e.g. notary public).

For corporate bodies including banks, financial institutions, investment funds and other companies and establishments:

- **UAE registered corporate bodies:**
  - The original and a copy of a trade license or commercial registration for verification or a certified copy by one of the following UAE-regulated persons/bodies; a notary public or as otherwise duly regulated in the country;
  - The original and a copy of the document that authorizes the signatory to sign on behalf of the Subscriber and to represent the Subscriber, to submit the application, and to accept the terms and conditions stipulated in the Prospectus and in the subscription form; and
  - The original and a copy of the passport/Emirates ID of the signatory.
- **Foreign corporate bodies:** the documents will differ according to the nature of the corporate body and its domicile. Accordingly, please consult with the Joint Lead Managers to obtain the list of required documents.

3. Method of subscription and payment for the First Tranche and the Third Tranche

A. Method of payment for First Tranche and the Third Tranche

The subscription application must be submitted by a Subscriber to any of the Receiving Banks listed in this Prospectus and the NIN with ADX and the Subscriber's bank account number must be provided, together with payment in full for the amount it wishes to use to subscribe for the Offer Shares, which is to be paid in one of the following ways:

- Certified bank cheque (Manager's Cheque) drawn on a bank licensed and operating in the UAE, in favour of "ADNHC IPO Subscription";

- Debiting a Subscriber’s account with a Receiving Bank; or
- Electronic subscriptions (please refer to the section on Electronic subscription below).

Details of the Subscriber’s bank account must be completed on the subscription application form even if the application amount will be paid by Manager’s Cheque.

The subscription amount may not be paid or accepted by a Receiving Bank using any of the following methods:

- In cash;
- Cheques (not certified); or
- Any other mode of payment other than mentioned above.

Please refer to Annex 3 for the Receiving Bank’s participating branches.

B. Electronic subscription (E-subscription)

The Receiving Banks may also have their own electronic channels (ATMs, on-line internet banking applications, mobile banking applications, etc.) interfaced with the ADX eKtetab IPO system. By submitting the electronic subscription application, the customer submitting the application is accepting the Offering terms and conditions on behalf of the Subscriber and is the relevant Receiving Bank to pay the total subscription amount by debiting the amount from the respective bank account of the customer and transferring the same to the Offer account in favour of “**ADNHC IPO Subscription** ” held at the Receiving Bank, as detailed in the subscription application. The submission of an electronic application will be deemed to be sufficient for the purposes of fulfilling the identification requirements and accordingly, the supporting documentation in relation to applications set out elsewhere in this Prospectus will not apply to Electronic Applications under this section. Notification of the final allocation of Offer Shares and the refund of proceeds for unallocated Offer Shares (if any) and any profit thereon following the closing of the Offer Period and prior to the Listing of the Shares shall be performed solely by, and processed through, the Receiving Bank in which the electronic subscription application was submitted.

Subscription applications may also be received through UAE Central Bank Fund Transfer (“**FTS**”) mode. The investor choosing the FTS method will be required to provide their valid NIN with ADX along with the value of Offer Shares subscribed for in the special instructions field.

ADX ePortal Subscription

For applying through ADX ePortal Subscriptions:

Please access -

For Arabic – https://www.adx.ae/Arabic/Pages/ProductsandServices/ipo.aspx

For English – https://www.adx.ae/English/Pages/ProductsandServices/ipo.aspx

Please refer to the “ADX IPO ePortal Subscription Instructions” page and follow the instructions.

Click on the IPO Subscription Link provided to subscribe for the First Tranche and the Third Tranche.

If you have any queries about any of the above, please reach out via telephone on 800-ADX(239) or via email on info@adx.ae..

FAB EIPO-Subscription

- Access

  English: https://www.bankfab.com/v1/en-ae/investment-banking/iposubscription

  Arabic: https://www.bankfab.com/v1/ar-ae/investment-banking/iposubscription

- Please refer to the “How to subscribe page” and follow the instructions and submit subscriptions for the First Tranche and the Third Tranche.

FAB Mobile Banking application is available for FAB clients.

If you need any support, please call FAB Call Centre at +971 2 616 1800.

ADCB EIPO – Subscription

Process Steps:

1 ADCB customers to visit the https://www.adcb.com/ADNHCatering and click IPO Subscription Link

Step # 2 Complete login authentication (Customer ID, Mobile Number and OTP)

Step # 3 Enter NIN Number

Step # 4 Select Broker, Enter Subscription Amount, Select Account and Submit.

If you need any support, please call ADCB Call Centre at 600 50 2030 or +971 2 621 0090.

ADIB EIPO – Subscription

ADIB’s electronic subscription channels, including online internet banking, are accessible via ADIB’s official website www.adib.ae and mobile banking app. These are duly interfaced with the ADX database and are only available to ADIB account holders.

ADIB account holders will access ADIB’s electronic subscription channels with their relevant username and password and this will be deemed to be sufficient for the purposes of fulfilling the identification requirements.

ADIB account holders complete the electronic application form relevant to their Tranche by providing all required details including an updated ADX NIN, an active ADIB account number, the amount they wish to subscribe for, and by selecting the designated brokerage account.

By submitting the electronic subscription form, the ADIB account holder accepts the Offering terms and conditions, authorizes ADIB to debit the amount from the respective ADIB account and to transfer the same to the IPO account in favour of the issuer account held at ADIB, as detailed in the subscription application.

ADIB account holders with a successful subscription automatically receive an acknowledgement of receipt by email and have to keep this receipt until they receive the allotment notice.

In case of any issues or support, please contact ADIB call centre at +971 2 652 0878.

ENBD EIPO Subscription

Account holders with Emirates NBD Bank can subscribe via the bank's online internet banking and mobile application channel as well as through ATMs. Eligible persons can access Emirates NBD Bank's ATMs with their debit card, and online banking or mobile application using their relevant username and password (as is customary with these channels). This will be deemed sufficient for the purposes of identification and accordingly the supporting documentation in relation to application set out elsewhere in this Prospectus will not apply to electronic applications.

Subscribers without an Emirates NBD Bank account, who are either in the UAE or outside the UAE, can subscribe through the dedicated IPO website https://IPO.EmiratesNBD.com and pay through Online Banking via the UAE Central Bank Payment Gateway ("**PGS**") or through UAE Central Bank Fund Transfer ("**FTS**") or SWIFT.

In case of any issues or support, please contact the dedicated Emirates NBD Bank IPO team through our call center 800 ENBD IPO (800 3623 476)

ENBD EIPO - Subscription (General Terms)

Submitting the electronic subscription application, the customer is accepting the offering terms and conditions on behalf of the subscriber and authorize Emirates NBD Bank PJSC to retrieve Investor details from ADX Market to submit the subscription application and pay the total subscription amount by debiting the amount from the respective bank account of the customer and transferring the same to the offer account in favor of "ADNHC PLC - IPO" held at the Emirates NBD Bank PJSC.

The submission of an electronic application will be deemed to be sufficient for the purposes of fulfilling the identification requirements and accordingly, the supporting documentation in relation to applications set out elsewhere in this prospectus will not apply to electronic applications under this section.

Notification of the final allocation of offer shares and the refund of proceeds for unallocated offer shares (if any) and any returns thereon following the closing of the offer period shall be performed solely by, and processed through, the receiving banks in which the electronic subscription application was submitted.

In the event any of the Subscribers do not comply with this Prospectus, especially in relation to the electronic subscription, neither the ADX, the Selling Shareholder, the Company, the Board, Emirates NBD Bank PJSC shall in anyway be liable for the use of the electronic subscription facility by the customer of the bank or the Subscriber, the debiting of the customer account of the Receiving Banks, in respect of all and any losses or damages suffered, directly or indirectly as a result of the electronic subscription facility.

EIB – EIPO Subscription

Account holders with Emirates Islamic Bank can subscribe via the bank's mobile application channel as well as through ATMs. Eligible persons can access Emirates Islamic Bank's ATMs with their debit card, and mobile application using their relevant username and password (as is customary with these channels). This will be deemed sufficient for the purposes of identification and accordingly the supporting documentation in relation to application set out elsewhere in this Prospectus will not apply to electronic applications.

In case of any issues or support, please contact EIB call center 043160066.

EIB EIPO Subscription (General Terms)

Submitting the electronic subscription application, the customer is accepting the offering terms and conditions on behalf of the subscriber and authorize Emirates Islamic Bank PJSC to retrieve Investor details from ADX Market to submit the subscription application and pay the total subscription amount by debiting the amount from the respective bank account of the customer and transferring the same to the offer account in favor of "ADNHC PLC - IPO" held at the Emirates Islamic Bank PJSC.

The submission of an electronic application will be deemed to be sufficient for the purposes of fulfilling the identification requirements and accordingly, the supporting documentation in relation to applications set out elsewhere in this prospectus will not apply to electronic applications under this section.

Notification of the final allocation of offer shares and the refund of proceeds for unallocated offer shares (if any) and any returns thereon following the closing of the offer period shall be performed solely by, and processed through, the receiving banks in which the electronic subscription application was submitted.

In the event any of the Subscribers do not comply with this Prospectus, especially in relation to the electronic subscription, neither the ADX, the Selling Shareholder, the Company, the Board, Emirates Islamic Bank PJSC shall in anyway be liable for the use of the electronic subscription facility by the customer of the bank or the Subscriber, the debiting of the customer account of the Receiving Banks, in respect of all and any losses or damages suffered, directly or indirectly as a result of the electronic subscription facility.

Important dates relevant to the methods of payment of the subscription amounts

- Subscription amounts paid by way of cheque must be submitted by 12pm (midday) on 11 October 2024 (2 working days prior to the Closing Date).

- Subscription applications received through PGS, FTS and SWIFT must be made before 5pm on 12 October 2024 (1 working day prior to the Closing Date).

Subscription amounts

Subscribers in the First Tranche and the Third Tranche must submit applications to purchase Offer Shares in the amount of AED 5,000 (five thousand UAE Dirhams) or more, with any subscription over AED 5,000 (five thousand UAE Dirhams) to be made in increments of AED 1,000 (one thousand UAE Dirhams). Subscribers in the First Tranche and the Third Tranche shall accordingly apply for an AED subscription amount which shall be applied towards purchasing Offer Shares at the Final Offer Price, rather than applying for a specific number of Offer Shares.

Final Offer Price

The offer price at which all the Subscribers will purchase Offer Shares will be at the Final Offer Price.

The Offer Shares will be sold in a public offer and the Final Offer Price will be determined by way of the application of a book building process, where an application orders' ledger will be created through the application orders made only by the Second Tranche Subscribers (see details of who may apply in the Second Tranche). Second Tranche Subscribers will be invited to bid for Offer Shares within the Offer Price Range using price sensitive orders (as in, by indicating application amounts that vary in size depending on price). The Joint Lead Managers will use the information indicating the extent of the demand at various price levels provided by these Second Tranche Subscribers to determine and recommend to the Company and the Selling Shareholder the Final Offer Price (which must be within the Offer Price Range) for all participants in the Offering.

The Shares of the Second Tranche Subscribers must represent all of the Offer Shares used to calculate the Final Offer Price of the Offer Shares.

Subscription process

Subscribers must complete the application form relevant to their Tranche, providing all required details. Subscribers who do not provide the NIN with ADX and bank account details will not be eligible for subscription and will not be allocated any Offer Shares.

Subscribers may only apply for the Offer Shares in one Tranche. In the event a person applies for Offer Shares in more than one Tranche, then the Receiving Banks and the Joint Lead Managers may disregard one or both of such applications.

The Receiving Bank through which the subscription is made will issue to the Subscriber an acknowledgement of receipt which the Subscriber has to keep until the Subscriber receives the allotment notice. One copy of the subscription application after being submitted, signed and stamped by the Receiving Bank shall be considered as an acknowledgement for receipt of the subscription application. This receipt shall include the data of the Subscriber, address, amount paid, details of the payment method, and date of the investment. The acknowledgement in the case of Electronic Applications via online internet banking and ATM would provide basic information of the application such as NIN number, amount, date, and customer bank account details.

If the address of the Subscriber is not filled in correctly, the Company, the Selling Shareholder, the Joint Lead Managers and the Receiving Banks take no responsibility for non-receipt of such allotment advice.

4. Further information on various matters

Offer Period

Commences on 7 October 2024 for the First Tranche, the Second Tranche and the Third Tranche and closes on 14 October 2024 for the First Tranche and the Third Tranche and on 15 October 2024 for the Second Tranche.

Receiving Banks

- **Lead Receiving Bank:** First Abu Dhabi Bank PJSC.
- **Receiving Banks:** a list of banks attached in Annex 3 of this Prospectus.

Method of allocation of Offer Shares to different categories of Subscribers *(Under SCA CHAIRMAN OF THE BOARD RESOLUTION NO. (11/R.M) OF 2016 ON THE REGULATIONS FOR ISSUING AND OFFERING SHARES OF PUBLIC JOINT STOCK COMPANIES), AS AMENDED*

Should the total size of subscriptions received exceed the number of Offer Shares, then the Selling Shareholder will allocate the Offer Shares according to the allocation policy specified below and will refund to Subscribers the excess subscription amounts and any accrued profit resulting thereon.

Notice of Allocation

A notice to successful Subscribers in the First Tranche and the Third Tranche will be sent by way of SMS initially confirming allocation of offered Shares to them. This will be followed by a notice setting out each Subscriber's allocation of Offer Shares, which will be sent by registered mail or via e-mail to the registered address in the subscription application to each Subscriber.

Method of refunding surplus amounts to Subscribers

By no later than 21 October 2024 (being within five (5) working days of the Closing Date of the Second Tranche), the Offer Shares shall be allocated to Subscribers and, within five (5) working days of such allocation, the surplus subscription amounts*, and any accrued profit resulting thereon, shall be refunded to Subscribers in the First Tranche and the Third Tranche who did not receive Offer Shares, and the subscription amounts and any accrued profit resulting thereon shall be refunded to the Subscribers in the First Tranche and the Third Tranche whose applications have been rejected for any of the above reasons. The surplus amount and any accrued profit thereon are returned to the same Subscriber's account through which the payment of the original application amount was made. In the event payment of the subscription amount is made by certified bank cheque, these amounts shall be returned by sending a cheque with the value of such amounts to the Subscriber at the address mentioned in the subscription application.

*The difference between the subscription amount accepted by the Company and the Selling Shareholder for a Subscriber, if any, and the application amount paid by that Subscriber will be refunded to such Subscriber pursuant to the terms of this Prospectus.

Inquiries and complaints

Subscribers who wish to submit an inquiry or complaint with respect to any rejected requests, allocation or refunding of the surplus funds, must contact the Receiving Bank through which the subscription was made, and if a solution cannot be reached, then the Receiving Bank must refer the matter to the Joint Lead Managers. The Subscriber must remain updated on the status of any such inquiry or complaint. The Subscriber's relationship remains only with the party receiving the subscription request.

Listing and trading of Shares

Subsequent to the allocation of Offer Shares, the Company will list all of its Shares on the ADX in accordance with the applicable listing and trading rules as at the Listing date. Trading in the Shares will be effected on an electronic basis, through the ADX's share registry, with the commencement of such trading estimated to take place after completion of the registration and listing.

Voting rights

All Shares are of the same class and shall carry equal voting rights and shall rank pari passu in all other rights and obligations. Each Share confers on its holder the right to cast one vote on all Shareholders' resolutions.

Risks

There are certain risks that are specific to investing in this Offering. Those risks have been discussed in a section headed "**Investment Risks**" of this Prospectus and must be taken into account before deciding to subscribe in Offer Shares.

5. Timetable for Subscription and Listing

The dates set out below outline the expected timetable for the Offering. However, the Company and the Selling Shareholder reserves the right to change any of the dates/times, or to shorten or extend the specified time periods, upon obtaining the approval of the SCA and ADX and publishing such change during the Offering period in daily newspapers.

Event	Date
Price range announcement and offering commencement date (The Offer Period for the First Tranche and the Third Tranche shall continue for 7 (seven) days, including Saturdays, for the purposes of accepting Subscribers' applications)	7 October 2024
Closing Date of the First Tranche and the Third Tranche	14 October 2024
Closing Date of the Second Tranche	15 October 2024

Announcement of Final Offer Price	16 October 2024
Allocation of Second Tranche	16 October 2024
Allocation of First Tranche and the Third Tranche. SMS Confirmation to all successful First Tranche Subscribers and Third Tranche Subscribers and commencement of refunds of investment surplus to the Subscribers and commencement of dispatch of registered mail relating to allotment of shares	21 October 2024
Expected date of Listing the Shares on the ADX	23 October 2024

Tranches

The Offering of the Offer Shares is divided as follows:

The First Tranche:

Size: 88,500,000 (eighty-eight million five hundred thousand) Shares representing 9.83% of the Offer Shares. The Selling Shareholder reserves the right to amend the size of the First Tranche at any time prior to the end of the subscription period at its sole discretion, subject to the applicable laws of the UAE and approval of the SCA, provided that the subscription percentage of the Subscribers in the Second Tranche does not fall below 60% (sixty per cent) of the Offer Shares and the subscription percentage of the subscribers in the First Tranche and the Third Tranche does not exceed 40% (forty per cent) of the Offer Shares in aggregate.

Eligibility: First Tranche Subscribers (as described in the section of this Prospectus headed "*Definitions and Abbreviations*").

Minimum application size: AED 5,000 (five thousand UAE Dirhams), with any additional application in increments of at least AED 1,000 (one thousand UAE Dirhams.

Maximum application size: There is no maximum application size.

Allocation policy: In case of over-subscription in the First Tranche, at the outset, up to 2,000 Offer Shares will be allocated to each Subscriber, subject to the total number of Shares allocated pursuant to the minimum guaranteed allocation not exceeding the total number of Shares available in the First Tranche, and any additional Offer Shares will then be allocated to First Tranche Subscribers pro rata to each Subscriber's subscription application amount based on the Final

Offer Price. Applications will be scaled back on the same basis if the First Tranche is over-subscribed. Any fractional entitlements resulting from the pro rata distribution of Offer Shares will be rounded down to the nearest whole number. Shares will be allocated in accordance with the aforementioned allocation policy, based on the Final Offer Price. Each successful Subscriber, will be allocated a minimum guaranteed allocation of up to 2,000 (two thousand) Shares. The minimum guaranteed allocation of up to 2,000 (two thousand) Shares is subject to (i) the total number of Shares allocated pursuant to the minimum guaranteed allocation in the First Tranche not exceeding the total number of Shares available in the First Tranche; and (ii) the number of Shares allocated to any single Subscriber in the First Tranche pursuant to the minimum guaranteed allocation in the First Tranche not exceeding the number of Shares applied for by the said Subscriber in the First Tranche based on the Final Offer Price. The final minimum guaranteed allocation for each Subscriber in the First Tranche shall be determined at the end of the subscription period based on the total number of Subscribers in the First Tranche and the Final Offer Price. The Selling Shareholder reserves the right to amend the minimum guaranteed amount after obtaining SCA's approval.

Multiple applications in the First Tranche under the same NIN number will be aggregated and the minimum guaranteed allocation will be applied once only, with the balance allocated on a pro-rata basis.

Unsubscribed Offer Shares: If not all of the Offer Shares allocated to the First Tranche are fully subscribed, such unsubscribed Offer Shares shall be made available for subscription by Professional Investors or, alternatively (in consultation with the SCA) the Selling Shareholder may extend the Closing Date for the First Tranche the Second Tranche and the Third Tranche, and/or close the Offering at the level of applications received.

The Second Tranche:

Size: 810,000,000 (eight hundred ten million) Shares representing 90% (ninety per cent) of the Offer Shares. The Selling Shareholder reserves the right to amend the size of the Second Tranche at any time prior to the end of the subscription period at its sole discretion, subject to the applicable laws of the UAE and the approval of the SCA, provided that the subscription percentage of the Subscribers in the Second Tranche does not fall below 60% (sixty per cent) of the Offer Shares and the subscription percentage of the Subscribers

	in the First Tranche and the Third Tranche does not exceed 40% (forty per cent) of the Offer Shares in aggregate.
Eligibility:	Professional Investors (as described in the section of this Prospectus headed "*Definitions and Abbreviations*").
Minimum application size:	The minimum application size is AED 5,000,000 (five million UAE Dirhams).
Maximum application size:	There is no maximum application size.
Allocation policy:	Allocations within the Second Tranche will be determined by the Company and the Selling Shareholder, in consultation with the Joint Lead Managers. It is therefore possible that Subscribers who have submitted applications in this Tranche may not be allocated any Offer Shares or that they are allocated a number of Offer Shares lower than the number of Offer Shares mentioned in their subscription application.
Discretionary allocation:	The Selling Shareholder reserves the right to allocate Offer Shares in the Second Tranche in any way it deems necessary. It is therefore possible that Subscribers who have submitted applications in this Tranche may not be allocated any Offer Shares or that they are allocated a number of Offer Shares lower than the number of Offer Shares mentioned in their subscription application.
Unsubscribed Offer Shares:	If not all of the Offer Shares allocated to the Second Tranche are fully subscribed, the Offer will be withdrawn. If the Offer is withdrawn, the subscription amounts will be fully refunded to the Subscribers, along with any accrued profits.

The Third Tranche:

Size:	1,500,000 (one million five hundred thousand) Shares representing 0.17% of the Offer Shares. The Selling Shareholder reserves the right to amend the size of the Third Tranche at any time prior to the end of the subscription period at its sole discretion, subject to the applicable laws of the UAE and approval of the SCA, provided that the subscription percentage of the Subscribers in the Second Tranche does not fall below 60% (sixty per cent) of the Offer Shares and the subscription percentage of the subscribers in the First Tranche and the Third Tranche does not exceed 40% (forty per cent) of the Offer Shares in aggregate.

Eligibility:	Third Tranche Subscribers (as described in the section of this Prospectus headed "*Definitions and Abbreviations*").
Minimum application size:	AED 5,000 (five thousand UAE Dirhams), with any additional application in increments of at least AED 1,000 (one thousand UAE Dirhams.
Maximum application size:	There is no maximum application size.
Allocation policy:	In case of over-subscription in the Third Tranche, at the outset, up to 4,000 (four thousand) Offer Shares will be allocated to each Subscriber, subject to the total number of Shares allocated pursuant to the minimum guaranteed allocation not exceeding the total number of Shares available in the Third Tranche, and any additional Offer Shares will then be allocated to Third Tranche Subscribers pro rata to each Subscriber's subscription application amount based on the Final Offer Price. Applications will be scaled back on the same basis if the Third Tranche is over-subscribed. Any fractional entitlements resulting from the pro rata distribution of the Offer Shares will be rounded down to the nearest whole number. Shares will be allocated in accordance with the aforementioned allocation policy, based on the Final Offer Price. The minimum guaranteed allocation of up to 4,000 (four thousand) Shares is subject to (i) the total number of Shares allocated pursuant to the minimum guaranteed allocation in the Third Tranche not exceeding the total number of Shares available in the Third Tranche; and (ii) the number of Shares allocated to any single Subscriber in the Third Tranche pursuant to the minimum guaranteed allocation in the Third Tranche not exceeding the number of Shares applied for by the said Subscriber in the Third Tranche based on the Final Offer Price. The final minimum guaranteed allocation for each Subscriber in the Third Tranche shall be determined at the end of the subscription period based on the total number of Subscribers in the Third Tranche and the Final Offer Price. The Selling Shareholder reserves the right to amend the minimum guaranteed amount after obtaining SCA's approval. Multiple applications in the Third Tranche under the same NIN number will be aggregated and the minimum guaranteed allocation will be applied once only, with the balance allocated on a pro-rata basis.

Unsubscribed Offer Shares:	If not all of the Offer Shares allocated to the Third Tranche are fully subscribed, such unsubscribed Offer Shares shall be made available for subscription by First Tranche Subscriber or Second Tranche Subscribers or, alternatively (in consultation with the SCA) the Selling Shareholder may extend the Closing Date for the First Tranche the Second Tranche and the Third Tranche, and/or close the Offering at the level of applications received.

Preferential rights up to 10% of the total Offer Shares for Subscribers who are shareholders of ADNH at the Record Date:

Up to 10% (ten per cent) of the Offer Shares will be made available for allocation to ADNH Eligible Shareholder who apply in either the First Tranche or the Second Tranche only in priority to other applicants. Such persons will be identified by the cross-checking of applicant NINs against NINs of ADNH Eligible Shareholders. The ADNH Eligible Shareholders shall be accorded preferential rights to the Reserved Shares pro rata to their percentage holdings in ADNH as at the close of trading on 2 October 2024 (two days prior to the subscription commencement date). In case of over-subscription in the Reserved Shares, the balance of any application for Offer Shares in excess of the pro-rata entitlement to the Reserved Shares will be treated separately as a general application in the applicable Tranche on the basis of the size of the remaining unfulfilled order, and in accordance with the allocation policy for each relevant Tranche. In the event that the Reserved Shares are not fully subscribed, then the remaining Reserved Shares will become generally available to the First Tranche or the Second Tranche. Persons who acquire shares in ADNH after 2 October 2024 will not be entitled to any preferential allocation in the Reserved Shares. For the avoidance of doubt, applications by ADNH Eligible Shareholders in the Third Tranche will not qualify for priority allocation of Reserved Shares and shall be treated as applications of ADNH Group Eligible Employees.

Multiple applications

A Subscriber should only submit an application for Offer Shares under one Tranche. Multiple applications received under the same tranche will be combined for the purposes of minimum guaranteed shares and pro-rata allocation of shares. In the event a Subscriber applies for subscription in more than one Tranche, the Receiving Banks and the Joint Lead Managers (in consultation with the Company and the Selling Shareholder) may deem one or both applications invalid.

Important notes

Subscribers in the First Tranche and the Third Tranche will be notified of whether they have been successful in their application for, and allocation of, Offer Shares by means of an SMS.

Upon Listing of the Shares on the ADX, the Shares will be registered on an electronic system, as applicable, to the ADX. The information contained in this electronic system will be binding and irrevocable, unless otherwise specified in the applicable rules and procedures governing the ADX.

Subject to the approval of the SCA, the Selling Shareholder reserves the right to alter the percentage of the Offer Shares, which are to be made available to either the First Tranche, or the Second Tranche or the Third Tranche.

Second Section: Key details of the Company

1. Overview of the Company

Name of the Company:	A D N H Catering plc. A free zone public company limited by shares incorporated in the ADGM pursuant to the Companies Regulations.
Primary objects of the Company:	The objectives of the Company are as follows: • Activities of head office; • Proprietary investment; and • Activities of holding companies.
Head office:	Assigned Desk 2323L, 23rd Floor, Sky Tower, Shams Abu Dhabi, Al Reem Island, Abu Dhabi, United Arab Emirates.
Branches:	None.
Details of trade register and date of engaging in the activity:	License No. 19524; Issue Date: 21 June 2024.
Term of the Company:	Not applicable for ADGM companies.
Financial year:	1 January to 31 December.
Major banks dealing with the Company:	First Abu Dhabi Bank PJSC Abu Dhabi Commercial Bank PJSC

Details of current Board Members:

Name	Year of Birth	Nationality	Capacity
Khalaf Sultan Al Dhaheri*	1974	Emirati	Chairman/Non-executive Director
H.E. Sheikh Ahmed Aldhahiri	1971	Emirati	Vice-chairman/Non-executive Director
Mohamed Khalaf Al Otaiba*	1975	Emirati	Non-executive Director
Khalid Anib	1965	Finnish	Non-executive Director
Darwish Ahmed Alketbi*	1975	Emirati	Non-executive Director
Rauda Abdulla Aldhaheri*	1992	Emirati	Non-executive Director
Clive Cowley	1952	British	Executive Director

*denotes that the Director is considered "*independent*" under the Governance Rules.

The following members of the Board hold memberships in the boards of directors of joint stock companies in the UAE:

Khalaf Sultan Al Dhaheri	Member of the board of directors of Abu Dhabi National Hotels Company PJSC
H.E. Sheikh Ahmed Aldhahiri	Vice Chairman & Managing Director of Abu Dhabi National Hotels Company PJSC; Board member - e& (Etisalat and); Board member – Abu Dhabi Aviation PJSC Board member – First Abu Dhabi Bank PJSC Board member – Al Dhafra Insurance Company P.S.C
Mohamed Khalaf Al Otaiba	Board member – Abu Dhabi National Hotels Company PJSC
Darwish Ahmed Alketbi	Board member – Abu Dhabi National Hotels Company PJSC
Rauda Abdulla Aldhaheri	Board member – Abu Dhabi National Hotels Company PJSC Board member – Al Dhafra Insurance Company P.S.C

No bankruptcy ruling or a bankruptcy arrangement has been issued against any member of the Board or members of the senior management of the Company.

The following members of the Board or the senior management and their first-degree relatives' own shares in the Company:

- Sheikh Ahmed Aldhahiri owns 16,765,000 shares representing 0.133% in the issued share capital of ADNH. ADNH owns 100% of the issued share of the Company.

- Khalaf Al Dhaheri owns 126,000 shares representing 0.001% in the issued share capital of ADNH. ADNH owns 100% of the issued share of the Company.

- Mohamed Al Otaiba owns 45,812,728 shares representing 0.364% in the issued share capital of ADNH. ADNH owns 100% of the issued share of the Company.

- Darwish Alketbi owns 630,000 shares representing 0.005% in the issued share capital of ADNH. ADNH owns 100% of the issued share of the Company.

Summary of the remuneration of the board of directors and senior management team

The Board and the senior management did not receive any remuneration for the financial year ended 31 December 2023.

BUSINESS DESCRIPTION

Investors should read this section of this Prospectus in conjunction with the more detailed information contained in this Prospectus and the Financial Statements, including the related notes, included elsewhere in this Prospectus.

Overview

The Group is a leading food and support services provider in the UAE, with a market share of 28% of the Group's addressable market in the UAE in 2023, with operations in the KSA via a joint venture with Compass Group.

The principal activities of the Group are the provision of:

- *food services*, including preparing and serving meals from on-site kitchens or the Group's Central Production Facilities, as well as the Group Husk coffee, grab-and-go business, which represented 59% of the combined revenue of ADNH Catering Abu Dhabi, ADNH Catering Dubai and ADNH Catering Sharjah for the year ended 30 September 2023 and 62% of the combined revenue of ADNH Catering Abu Dhabi, ADNH Catering Dubai and ADNH Catering Sharjah for the nine months ended 30 June 2024 (the "**Food Services Segment**"); and
- *support services*, including general (non-technical) cleaning, housekeeping, pest control, laundry and the supply of manpower, drivers and other technical specialists, as well as procurement services for clients and the Group's ZadSource, which represented 41% of the combined revenue of ADNH Catering Abu Dhabi, ADNH Catering Dubai and ADNH Catering Sharjah for the year ended 30 September 2023 and 38% of the combined revenue of ADNH Catering Abu Dhabi, ADNH Catering Dubai and ADNH Catering Sharjah for the nine months ended 30 June 2024 (the "**Support Services Segment**").

As of the date of this Prospectus, the Group operates across five sectors: defence, correctional, healthcare, business & industry (encompassing the energy and remote sub-sectors) and education (the "**Key Sectors**"), serving 262 clients in the year ended 30 September 2023, representing a 33% increase from the 197 clients served in the year ended 30 September 2021. As of 30 June 2024, the Group operated approximately 160 on-site kitchens (excluding those on vessels), serving over 11 million meals per month, and was contracted to clean approximately 160 facilities.

Food services and support services are people-led businesses and the Group's workforce is at the heart of its operations. As of 30 June 2024, the Group's workforce comprised over 18,000 members of staff, which are employed by the Selling Shareholder and utilised as part of the Group's operations pursuant to the Intercompany Services Agreement entered into between the Group and the Selling Shareholder (see "*Material Agreements—Intercompany Services Agreement*"). The Group's efforts in upholding staff wellbeing have been recognised by third parties, with the Group receiving the 'Best Company to Work For - Large' and 'Best Retention & Recruitment Strategy' awards at the UAE Employee Happiness Awards 2022/23 and are evident in the Group's low workforce turnover rate of approximately 15% for the first six months of 2024, as compared to the average turnover rate in the food and cleaning services markets of approximately 40% for the same period.

Vision and Mission

Vision

The Group's vision is to be a leader of contract food services and support services in its markets, maximising value for its stakeholders.

Mission

The mission of the Group is to focus on growth and diversification, whilst delivering industry-setting standards of service. The diagram below represents the relationship between the Group's focus on its workforce and results to achieve its goal of being the GCC's chosen provider for contract food and support services while striving to adhere to international standards for health, safety and environmental and social responsibility.

Competitive Strengths The Group's pursuit of its vision and mission is underpinned by the following competitive strengths:

Large and Growing Addressable Market Supported by Strong Macro Economic Tailwinds

The global and regional food services market in which the Group operates is large and projected to grow, particularly in the UAE and KSA. In 2023, the food services market in the UAE and KSA was valued at USD$ 5.2 billion and is projected to grow to USD$ 6.8 billion by 2028. Of the total food services market, the Group's addressable market was valued at USD$ 3.5 billion in 2023 and is projected to grow to USD$ 4.5 billion by 2028. The Group is well placed to capitalise on the projected growth in the regional food services market, particularly in the UAE and KSA.

Growth in the food services markets in the UAE and KSA is supported by the strong macroeconomic outlook for both the UAE and the KSA. The UAE's GDP is expected to grow at a CAGR of 3.6% from 2023 to 2028, whilst its population is expected to grow at a CAGR of 1.7% across the same period. Similarly, the KSA's GDP is expected to grow at a CAGR of 2.9% from 2023 to 2028, whilst its population is expected to grow at a CAGR of 2.3%, across the same period. This strong macroeconomic outlook is expected to underpin further growth in the food and support services markets in the UAE and the KSA, by making the UAE and KSA attractive destinations to host large-scale events and by increasing the number of healthcare and education facilities required to serve their growing and increasingly affluent populations. Further, growth in the food services markets in the UAE and KSA is expected to be supported by governmental growth transformation agendas, including increasing population and immigration inflows, further promoting the UAE and KSA as tourist destinations and as destinations for private healthcare solutions, all of which are expected to further drive demand for the supply of food and support services.

A Market Leader with Significant Regional Presence and a Diversified and Sectorised Business

The Group is an established market leader in the food services market in the UAE, commanding a 28% market share of the Group's addressable market in the UAE in 2023 and has a significant geographical presence in strategic locations across the UAE and KSA, as shown in the diagram below highlighting the Group's locations.

Further, the Group's business is diversified, offering services across the food and support services markets, from daily catering services to catering services at large scale events and from cleaning services in education, healthcare and defence facilities to offshore energy facilities. In addition, the Group's business is sectorized, offering services to clients in both the public and private sectors across the Group's five Key Sectors. The Group believes that its diversified and sectorised approach to its business, in combination with the Group's significant regional presence, provides it with a competitive advantage by reducing concentration risk on a particular location or sector and enabling the Group to be more resilient throughout economic cycles as certain sectors historically perform better during different periods of the economic cycle. For example, government contracts have historically performed better during economic downturns, whilst contracts for large-scale events are more viable during periods of economic growth. Further, during the COVID-19 pandemic volumes in the education and business & industry sectors decreased, whilst volumes in the healthcare sector increased.

Diverse Portfolio of Strategic Clients with a Competitive Edge in Securing Long-term and High-quality Contracts

The Group has a diversified client base across its Key Sectors and long-standing relationships with multiple clients, with an average contract retention rate of over 91% across the previous five years, with the Group's top 10 contracts having an average tenure of approximately 20 years. Further, across the last 10 years, the Revenue CAGR for the Group's top 10 clients was 9.4%.

The Group's track record of securing and retaining high-quality contracts with strategic clients, including government clients, has helped establish the Group's reputation in the market, providing it with a competitive edge when bidding for new long-term and high-quality contracts over newer market entrants and smaller-scale competitors without a similar track record. For example, the Group has had a relationship with a client in the correctional sector since 2005 and has also had a relationship with a client in the defence sector since 1990.

In addition, the Group believes that its specialised expertise and its focus on innovation and customisable services provide it with a competitive advantage when diversifying into the private sector. For example, in the business & industry sector, the Group has won multiple new contracts in 2024, including with an international hotel group based in Dubai, and has a 99% retention rate across the sector across the year ended 30 September 2023, driven by the Group's retention strategy. The Group also made multiple gains in the healthcare sector in 2024, being granted multi-year extensions of key contracts with NMC Health and an international hospital group with locations in Dubai, gains that were driven by the Group's value proposition.

Strategically Located Central Production Facilities with Structured Procurement Processes and Streamlined Distribution Processes Enable the Delivery of Centralised Solutions and Innovative Food Services Technologies

The Group has two strategically located Central Production Facilities in each of Abu Dhabi and Dubai (see "—*Central Production Facilities*"), which cover a client base across the UAE and serve approximately 19,000 meals daily, providing the Group with the competitive advantage of being able to provide food services to clients that do not have onsite food preparation facilities or whose onsite facilities are of insufficient scale to meet their needs.

In addition, the Group's disciplined and structured procurement and distribution processes are fundamental pillars of its business. The Group has a dedicated procurement team, which operates independently of its operations teams, and a seven-step sourcing process for awarding supplier contracts (see "—*Procurement*"), which, when combined with a focused procurement strategy, has resulted in the Group obtaining competitive discounts of approximately 4% against the market values of contracts. The Group uses a combination of direct delivery and third-party logistics distribution models, with a preference for the third-party logistics model (see "—*Distribution*"), that provides a competitive advantage via cost benefits obtained through savings on delivered product costs and reduced administrative burden on the Group's staff.

Further, the Group is able to deliver centralised solutions and innovative food services technologies to its clients, including Husk, the Group's coffee, grab-and-go solution and food services solutions at large-scale events, including the Formula 1 in Abu Dhabi, which it believes provides it with a competitive edge when bidding for contracts.

Robust Financial Performance Driven by Strong Margins Resulting in High Cash Conversion

Across the years ended 30 September 2022 and 2023 and the nine-month period ended 30 June 2024, the Group's financial performance was robust, being supported by scaled operations and resilient performance.

The Group's robust financial performance was further supported by strong margins, driven by proactive business selection, wherein the Group moved away from less attractive contracts if their projected future profitability no longer aligns with the Group's objectives, and a capital expenditure light investment model that can be tailored to the specific needs of individual clients.

Firm Commitment to ESG, Driving Operational Excellence and Sustainable Growth

The Group's firm commitment to ESG, driving operational excellence and sustainable growth is exemplified via its focus on staff well-being, goal of environmental leadership and robust governance structure (see "—*Health and Safety, ESG and Quality Assurance*"). For example, the Group is a member of the UAE MOCCAE sustainability taskforce and in 2023 it avoided 10,035 kg of $C0_2$ emissions through the use of B5 biodiesel within its 47 buses. Further, in 2023, the Group replaced 90% of lightbulbs in staff accommodation to LED bulbs, eliminated all single-use plastic bags and all

Styrofoam packaging products and 41% of the food products used in its operations were locally sourced. The Group believes that its track record in delivering on ESG, operational and sustainability KPIs provides it with a competitive advantage when pitching to clients with stringent ESG requirements as part of their contract tender criteria, as does the flexibility in the Group's being able to accommodate the ESG requirements of clients, for example, through its ability to provide menus focused on environmentally sustainable practices, such as veganism and locally sourced produce.

Experienced, Committed Senior Management Team, Backed by a Reputable Shareholder

The Group's senior management team comprises eight team members with a combined experience of over 200 years in the food and support services markets and is further supported by dedicated operations and growth teams, encompassing a growth team, bid center team and retention team. The Group is further supported by its Selling Shareholder (see "*—Selling Shareholder*"), a quasi-government entity and highly regarded regional player, whose reputation the Group believes provides it with a competitive advantage when bidding for contracts for large-scale events. In addition, the support of the Selling Shareholder in obtaining visas for the Group's workforce from the Department of Immigration provides the Group with competitive cost-saving advantages (see "*Risk Factors—Risks Related to the Group's Business and Industry—The Group is reliant on the assistance and continued cooperation of the Selling Shareholder in certain areas of its operations, including when tendering for certain new contracts, as the counterparty of record in contracts for approximately half of its clients, and assisting with the procurement of work visas for its workforce"*).

Strategy

The Group's growth potential is supported by its well-identified strategy comprising the following five limbs:

Sales and Retention

The Group plans to secure additional growth by further driving its new sales and retention initiatives, formalising its retention process, implementing efficiency initiatives to drive improvements in margins and by continuing to invest in its workforce and its health and safety processes.

The Group plans to capitalise on its track record of securing new business, winning AED 155 million of new business in 2023 by continuing to expand into, and secure new business in, the private healthcare and business & industry sectors. By 2028, the healthcare sector is expected to comprise 14% of the Group's addressable market, whilst the business & industry sector is expected to comprise approximately 48% of the Group's addressable market. In addition, the Group plans to broaden its client base across the UAE, particularly in Dubai, and capture larger, sustainable-margin support services contracts.

By continuing to formalise its retention process, the Group plans to improve its historical client retention rate of over 95%. Retention initiatives the Group plans to implement as part of this formalisation include formalising client communications via quarterly business discussions, client surveys and consumer surveys. These client communications will be further complemented by initiatives to enhance internal engagement, such as trainings on presentation skills and involvement of subject matter experts, as well as augmenting the Group's retention processes through the addition of a pre-empt bid process.

The Group is also implementing efficiency initiatives to further drive competitiveness and improve new sales and client retention, including implementing technologies to enable real time oversight of workforce attendance, implementing in-depth contract opportunity reviews with site leads, reducing costs through culinary, operations and procurement workshops, maintaining an approved provider list that aims to ensure business units are procuring optimal products and continuing to invest in its workforce and its health and safety policies and procedures. The Group believes that workforce welfare and a robust health and safety track record will be key factors for consideration by clients when awarding new contracts and renewing existing contracts.

Segment Specific Strategy

Sectorisation is a focal point of the Group's strategy (see "—*Key Sectors*"), with the Group having a deep presence its Key Sectors. The Group's sectorisation strategy is based on three core values, with the view to promoting industry knowledge, specialist skills, niche market expertise and digitisation and innovation, including through pilot schemes: (i) Structure for Success – sector management teams headed by subject matter experts; (ii) Focus to Deliver Excellence – maximise growth potential and disciplined retention process; and (iii) Positive Impact – enhance operational excellence and financial performance.

The Group has designed specific strategies for each of its Key Sectors in order to facilitate continued diversification, specialisation and accelerated growth. Within the business & industry sector, which is expected to represent approximately 48% of the Group's addressable market by 2028, the Group's focus is on branding and increasing its offerings direct to consumers through innovative and technological offerings, as well as increasing its offerings at large-scale events, focusing on high-end business sites and five star hotels for its pipeline. Within the defence sector, which is expected to represent approximately 21% of the Group's addressable market by 2028, the Group plans to add further military sites it serves across the UAE, acquire contracts for additional services, such as laundry. Within the healthcare sector, which is expected to represent approximately 14% of the Group's addressable market by 2028, the Group's focus is on expanding in private healthcare, continuing to diversify within Dubai and targeting healthcare facilities as locations to open Husk outlets. Within the education sector, which is expected to represent approximately 9% of the Group's addressable market by 2028, the Group's focus is on expanding in private schools and universities, growing through retail operations and targeting educational facilities as locations to open Husk outlets.

Horizontal Integration and Adjacent Expansion

A key element of the Group's strategy is horizontal integration and adjacent expansion via its Husk coffee, grab-and-go brand. The Group is targeting to open 28 Husk locations by the end of 2024 and targeting to open a further 15 locations in 2025. The expansion of the Husk brand aims to provide for ground-level entry points for other adjacent contracts and greater brand awareness, allowing the Group to better connect with its clients, and highlight the Group's ability to innovate with digital menus, mobile ordering, contactless payments and royalty programs.

Similarly, the Group plans to expand its large-scale events solutions offering, building on the success of its offering at the Formula 1 in Abu Dhabi and Saadiyat Nights. By expanding is large-scale events solutions offering, the Group aims to increase its brand reputation, enhance its go-to-market strategy, highlight the Group's strong logistics capabilities and establish a platform to win further contracts for large-scale events.

Inorganic Growth

The Group has identified a robust pipeline of potential targets that would represent consolidation opportunities, particularly in the education and business & industry sectors. The Group plans to consider bolt-on acquisitions outside of the food services market, for example, in high-level glass cleaning and landscaping services.

KSA Growth Opportunity

The Group's KSA growth strategy is focused on three hubs, East, Jeddah and Riyadh, with Riyadh being the priority market for growth and raising awareness of the Group's client capabilities. The Group intends to leverage the opportunity presented by its existing clients in the UAE who are expanding their businesses into the KSA, by aiming to provide services to the expanded KSA operations of these existing UAE clients.

Since 2018, the Group's growth strategy in the KSA has focused on the healthcare sector, in particular the private healthcare market. Following its entry into the market in 2018, the Group won a second contract in the healthcare sector in 2019 and further expanded its offering in the healthcare sector between 2021 and 2023. The Group plans to continue emphasising the healthcare sector as part of its KSA growth strategy.

The Group may also consider opportunities to increase its shareholding in Compass Arabia, by acquiring shares from its partners.

History and Development

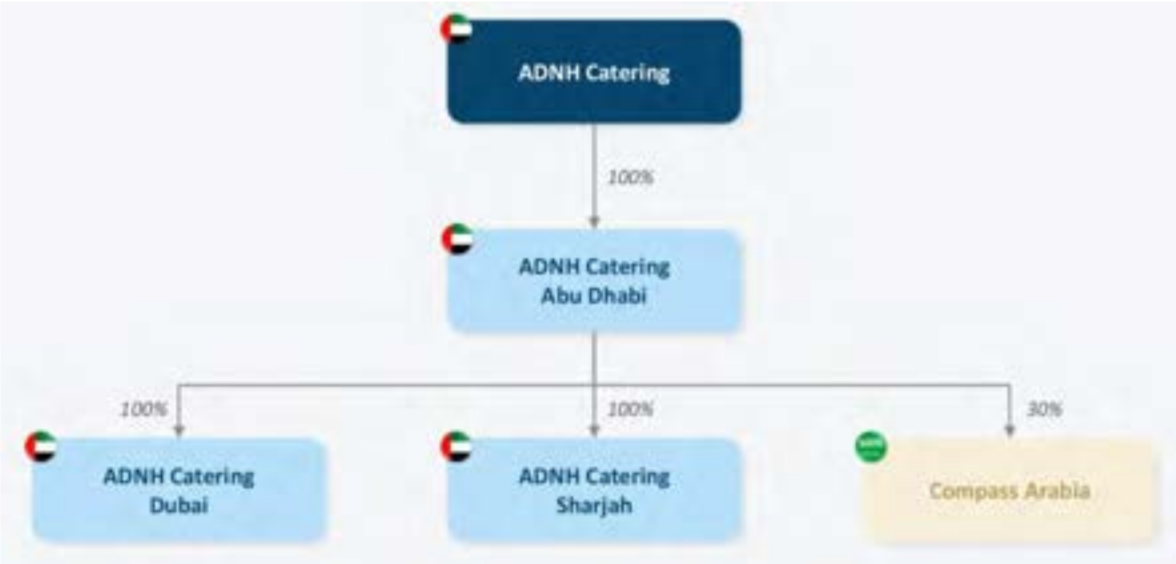
ADNH Catering PLC (previously known as ADNH Catering Limited prior to its re-registration to a public company limited by shares) (the "**Company**") was incorporated on 21 June 2024 as a private limited company pursuant to the ADGM Companies Regulations 2020 (as amended) (the "**ADGM Companies Law**") and was converted to a public limited company on 4 September 2024.

The Group has strong heritage in the UAE, developed over a track record of more than 45 years. An overview of the principal events in connection with the history and growth of the Group's business is set out below.

1. **1979** – ADNH sells its first food services contract.
2. **2001** – Formation of the joint venture between the Selling Shareholder and Compass Group.
3. **2009** – The Group introduces its third-party logistics model.
4. **2012** – Compass Arabia is established.
5. **2020** – ADNH Catering Dubai is awarded a contract with Expo 2020 Dubai.
6. **2020 to 2021** – Group diversification supports resilience through the COVID-19 pandemic.
7. **2023** – ADNH Catering Abu Dhabi receives the 'Best Company to Work For – Large' and 'Best Retention & Recruitment Strategy' awards at the UAE Employee Happiness Awards 2022/23. The Group launched Husk, a coffee, grab-and-go brand.
8. **2024** – The Selling Shareholder acquires the remaining 50% of the shares in the Group from Compass Group. ADNH Catering LLC is awarded contracts with an international hotel group based in Dubai, NMC Health and an international hospital group with locations in Dubai.

Corporate Structure

The Group's current corporate structure is set out below:



Significant Subsidiaries

A D N H Catering L.L.C – O.P.C, previously known as Abu Dhabi National Hotels Company - Compass Middle East LLC ("ADNH Catering Abu Dhabi")

Incorporated in Abu Dhabi, this subsidiary is engaged in the provision of catering, cleaning and other services to hospitals, camps, onshore and offshore oilfields, defence and military facilities, airports, shopping malls, universities and schools, palaces and other facilities. This subsidiary also manages restaurants.

A D N H Catering L.L.C, previously known as Abu Dhabi National Hotels Compass Emirates (L.L.C) ("ADNH Catering Dubai")

Incorporated in Dubai, this subsidiary is engaged in the business of onshore and offshore catering, trading in foodstuffs and facilities management services.

A D N H Compass L.L.C SP ("ADNH Catering Sharjah")

Incorporated in Sharjah, this subsidiary is engaged in the business of onshore and offshore catering, training in foodstuffs and facilities management services.

Compass Arabia Company Limited ("Compass Arabia")

A joint venture with Compass Group and Al-Rushaid Petroleum Investment Company incorporated in the KSA, this joint venture is engaged in the provision of predominantly food services, and complementary support services, in the KSA.

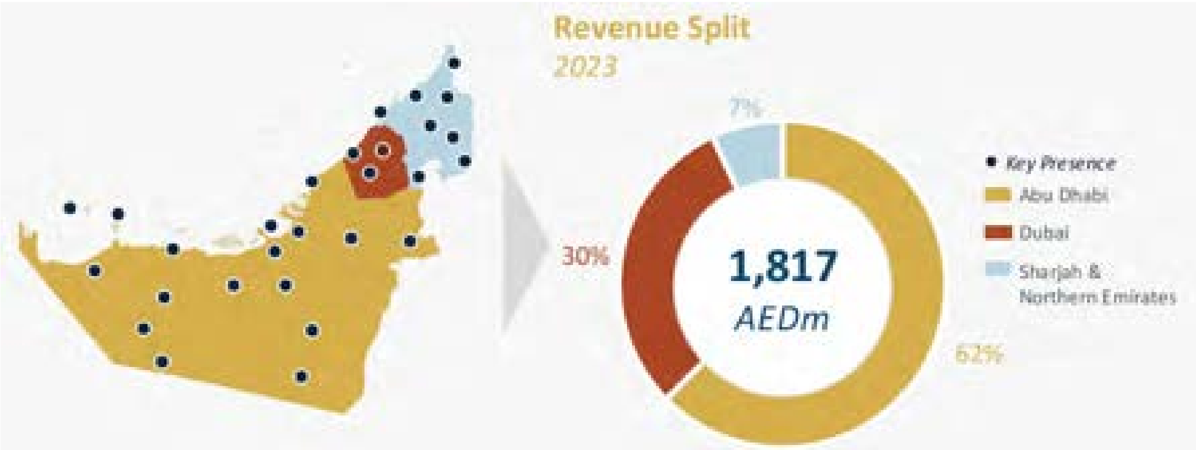
Selling Shareholder

Abu Dhabi National Hotels Company PJSC

The Selling Shareholder was founded in 1976 as a hotel owner and asset manager and has evolved into a hospitality group that encompasses hotels, restaurants, destination management, catering and transportation services. Under its hotels division, the Selling Shareholder owns some of the most reputable and recognisable hotels in the UAE, including, among others, the Ritz Carlton Abu Dhabi, Grand Canal, Park Hyatt Abu Dhabi Hotel and JW Marriott Hotel Dubai Marina. The Selling Shareholder's shares were listed on the ADX in 2000 and, as a result, the Selling Shareholder has decades of experience operating as a company with shares listed on the ADX.

UAE Business Overview

Within the UAE, the Group offers services from its Food Services Segment across all five of its Key Sectors and offers services from its Support Services Segment across four of its five Key Sectors. As at 30 September 2023, the Group had a geographic presence across the UAE.



Food Services Segment

The Group's Food Services Segment offers catering services encompassing meal preparation and the provision of on-the-go food options served in a wide range of settings, including canteens and food halls, retail outlets and at large-scale events. The Group's in-house expertise allows it to develop menus and produce meals and other food options designed with the client's focus at the forefront, be it nutrition, environmental concerns or exclusive meals to impress at royal and VIP events, including preparing and serving meals at workers camps, offshore energy facilities, correctional, healthcare and educational facilities and large-scale events, such as the Formula 1 in Abu Dhabi.

The Group's Food Services Segment operates across all of the Group's Key Sectors: defence, correctional, business & industry (encompassing the energy and remote sub-sectors), healthcare and education. As of 30 June 2024, the Food Services Segment operated 160 kitchens (excluding those on vessels) and served approximately 139.2 million meals in the year ended 30 September 2023.

		Defence	Correctional	Business & Industry	Healthcare	Education
Projected Market Growth	5%	4%	5%	5%	6%	5%
Revenue Contribution	AED 1,073m	22%	18%	41%	18%	1%
# of Clients	110	6	7	32	60	5
# of Contracts	17%	7	9	88	65	8

For the year ended 30 September 2023, the Food Services Segment generated 59% of the Group's revenue, representing 81% of its net profit for the same period, and generated 62% of the Group's revenues for the nine months ended 30 June 2024, representing 80% of its profit for the period. The Group served 110 clients as part of its Food Services Segment as at 30 September 2023, with its clients comprising a mix of public and private sector clients.

The Group's Food Services Segment offers catering through on-site kitchens or centralised hubs, which are managed locally by unit management with oversight from central teams. The Group's

Supply and Sourcing Team and support functions all provide support to the sector-specific teams, which in-turn feed into unit management.

Husk

As part of its Food Services Segment, the Group developed the 'Husk' brand in 2023 as a coffee, grab-and-go brand. Husk provides a diverse range of grab-and-go products including sandwiches, salads, wraps and pastries and offers a versatile coffee range including specialty blends thorough partnerships with RAW Coffee and Costa Coffee, as well as a customised Husk blend. Husk implements sustainability initiatives under the Planet Promise, aiming to achieve net zero across its value chain.

As of 30 June 2024, the Group had eight Husk locations, with a further 35 locations in the pipeline. The Group focuses on end-customer experience through its Husk brand, with the options of digitised personalised menus, mobile ordering and loyalty programs. Key features of Husk locations include flexible layouts, quick set-up, customisable aesthetics, eco-conscious design and tech-enabled services.

Support Services Segment

The Group's Support Services Segment offers general cleaning and housekeeping, office and beverage services, manpower supply and pest control across four of the Group's Key Sectors, defence, business & industry, healthcare and education, with three of those Key Sectors being the most prominent; defence, business & industry (encompassing the energy and remote sub-sectors), and healthcare.

		Cleaning	Manpower	Others
Revenue Contribution	AED 764m	29%	41%	30%
# of Clients	173	45	65	63
# of Contracts	181	61	73	47

The Group's Support Services Segment is operated by site-based unit management, which manage the provision of the above services at client sites and report to, and receive technical support from, sector specific teams. The Group's Supply and Sourcing Team and support functions both feed into sector-specific teams, which in-turn feed into the Group's Unit Management function.

The Group has been providing support services to clients since 1990, with key clients comprising a mix of public and private sector entities across the defence, healthcare, energy and air transport industries. The Group served 173 clients as part of its Support Services Segment as at 30 September 2023. The number of contracts the Group is a party to as part of its Support Services Segment has grown from 156, to 172 and to 181 as at 30 September 2021, 2022 and 2023, respectively.

Key characteristics of the Support Services Segment include a highly competitive market with many players that are sensitive to cost pressures. The Support Services Segment places a heavy emphasis on automation and tech-based innovations, such as footfall sensors, automated dispensers, chemical-free cleaning and biodegradable cleaning products, with a focus towards integrated services providers that align with general government support services.

In pursuit of capturing market share in the Support Services Segment, the Group utilises data and technology to deliver exceptional services, has a strong health and safety culture with a clear platform for incident reporting and processes and implements innovations to promote best practices and sustainability initiatives, such as food waste tracking, food waste composting, local sourcing and compostable packaging. Further, the Group offers loyal, talented, on-site teams, and is able to act as a supplier of choice by partnering with Integrated Facility Management companies.

ZadSource

As part of its Support Services Segment, the Group developed its ZadSource business, which is a purchasing organisation that offers procurement and purchasing services of food and non-food items to, and on behalf of, hotels and restaurants that are not in competition with the Group or its Selling Shareholder. In October 2023, the Group changed the business model and revenue recognition model for its ZadSource business to an agency model whereby it acts as the agent on behalf the client when procuring products from suppliers as opposed to purchasing products from suppliers and then reselling these products to clients. As of 30 June 2024, approximately 50% of the Group's ZadSource business operates in accordance with the new agency model and approximately 50% operates in accordance with the prior purchasing and resale mode. The new ZadSource business model and revenue recognition model is in beta testing and the Group continues to monitor its performance on an ongoing basis to determine its market viability.

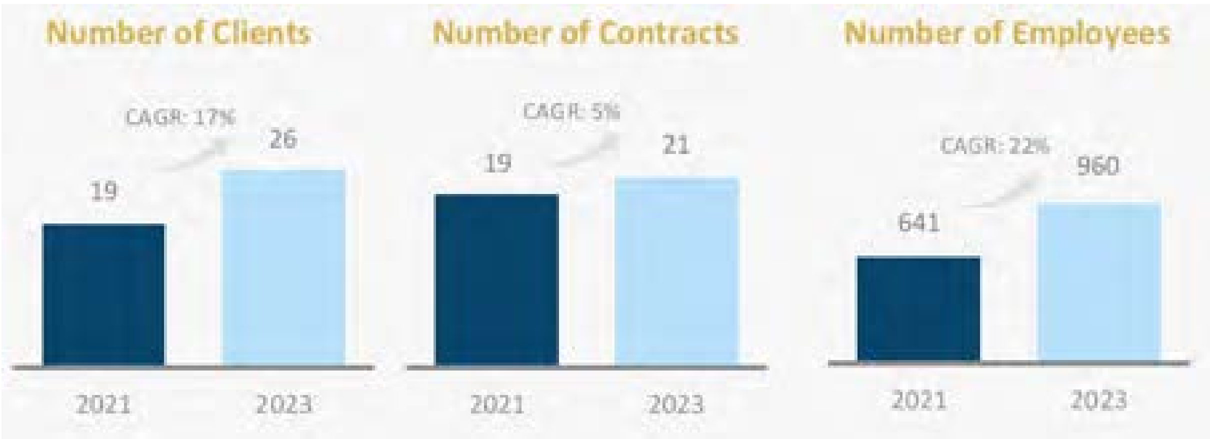
KSA Business Overview

The Group has operated in the KSA since 2012 via Compass Arabia, a joint venture it operates in conjunction with Compass Group and Al-Rushaid Petroleum Investment Company, of which the

Group is a 30% shareholder. The Group is discussing a potential future increase in its shareholding in Compass Arabia by acquiring shares from its joint venture partners.

As of 30 September 2023, the Group's operations in the KSA represented approximately 9% of its total clients, with 74% of the Group's KSA revenue for the year ended 30 September 2023 being from Eastern KSA, 5% from Western KSA and 21% from Jeddah. The compelling economic fundamentals and pronounced growth in the KSA make it an attractive market for the Group, and further growth in the KSA is a key facet of the Group's strategy (see "*—Strategy—KSA Growth Opportunity*"). The focus of the Group's operations in the KSA is currently split between oil and gas clients in the East and healthcare clients in Jeddah, with the Group's primary focus for growth being the healthcare sector in Riyadh. The Group is seeking to leverage its previous experience in these areas, and the quality of services it offers, whilst mitigating concerns of poor payment performance in certain sectors (see "*Risk Factors—Risks Relating to the Group's Business and Industry—The Group's business is reliant on certain Key Clients in the UAE who may seek to terminate their arrangements with the Group or re-negotiate them on terms that are less advantageous to the Group or may change their internal processes resulting in delays in their payments to the Group*").

The number of clients served by the Group in the KSA grew by 17% from the year ended 30 September 2021 to the year ended 30 September 2023, with the number of contracts growing by 5% across the same period and the number of members of staff employed by Compass Arabia grew by 22% across the same period.



The Group offers services in the KSA predominantly from its Food Services Segment, which is complemented by a more limited offering from the Group's Support Services Segment. Within its Food Services Segment in the KSA, the Group is focused on clients in the business & industry (encompassing the energy and remote sub-sectors) and healthcare sectors.

Key Sectors

Defence

Key characteristics of the defence sector includes a competitive market that requires quick mobilisation. Clients in these sectors are seeking efficiencies and cost optimisation opportunities, with a focus on ESG initiatives, including sustainability, wellness and health, and nationalisation and Emiratisation programs. Clients in these sectors require access to reliable and clear dashboard data analysis platforms, a high ICV Score and strong security and safety protocols.

The Group has been serving clients in the correctional sector since 1990. For example, the Group entered into its first contract with one of its Key Clients in the defence sector in 1990 for the provision of food services and kitchen equipment, following a competitive tender process. The Group implemented Nutritics to support the health and welfare of the end users of the Key Client, appointed two dieticians and an executive chef and has undertaken the maintenance on three kitchens. The Group serves approximately 3.7 million meals per year to the Key Client, utilising 208 members of staff.

The Group's ability to capture market-share in this sector is supported by the Group's track record in service delivery via its ability to mobilise new sites quickly, via the Group establishing itself as a trusted brand and advisor supported by a Selling Shareholder with a high ICV Score and as a result of the Group's strength in emergency response capability, as well as health and safety compliance (see "*—Health and Safety, Environment and Quality—Health and Safety*"). Further, in order to add-value for clients in these sectors, the Group supports various health and wellbeing initiatives, such as free medical check open days, group yoga and health awareness sessions, and aims to align with the client's sustainability strategy, in line with the UAE Ministry of Climate Change and the Environment (the "**MOCCAE**"), for example, by eliminating plastic from the Group's operations and supporting the National Food Security initiative by sourcing food locally where possible.

The number of contracts to which the Group is a party with clients in the defence sector has grown from six as at 30 September 2021 to seven as at 30 September 2022 and 2023.

Correctional

Key characteristics of the correctional sector include adherence to security and safety protocols, due to the sensitive environment, as well as emergency response capabilities, compliance with health and safety protocols and the ability to mobilise at short notice. Further, certain clients within the correctional sector rely upon clear dashboard data analysis platforms and promote nationalisation and Emiratisation programs.

The Group has been serving clients in the correctional sector since 1997. For example, the Group entered into its first contract with one of its Key Clients in the correctional sector in 2006 for the provision of food services and event management, following a competitive tender process. The Group introduced live food, revised the Key Client's existing menu and implemented an app-based ordering system along with a vehicle tracking system. The Group serves approximately 18 million meals per year to this Key Client across 34 sites and utilises 459 members of staff, with no food safety incidents recorded across the last 12 months.

The Group's ability to capture market-share in this sector is supported by the Selling Shareholder's high ICV Score and its position as a well-established brand and trusted advisor, with a proven track record of operating in sensitive and complex environments and having reliable emergency response capabilities. In addition, the Group's financial stability, ability to offer investment and its health and safety capabilities help to capture market share in the correctional sector.

The number of contracts to which the Group is a party with clients in the correctional sector has decreased from 10 as at 30 September 2021 to nine as at 30 September 2022 and 2023.

Business & industry

Key characteristics of the business & industry sector include a focus on wellness, sustainability and buying local products, with Gen Z and Millennial end-users demanding branded solutions and technologies. The sector has experienced a change in meal hours, a preference for innovative concepts and a global and cultural approach to refreshed menus. Other recent trends identified in the business & industry sector includes an increase in corporate mandates to return to the office, as opposed to working from home, and luxury hotels recruiting employees from new markets and requiring more diverse menu options.

The Group has been serving clients in the business & industry sector, which encompasses the energy and remote sub-sector, since 1982. For example, the Group entered into its first contract with an international hotel group based in Dubai in 2004, after a competitive tender process, with further contracts being awarded by the same group in 2020, 2022 and 2024. The Group provides the aforementioned international hotel group with staff food services and corporate dining services, food services at hospitality and events and retail operations, operating five retail stores. The Group provides its services to the aforementioned international hotel group at 14 of its locations, utilising 300 members of staff and achieving over 80% customer satisfaction in customer surveys.

The Group's ability to capture market-share in this sector is supported by the Group's focus on food, service and innovative retail concepts, such as Husk, in addition to the Group's competitive pricing and quality, which is enabled by the proximity of the Group's strategically located Central Production Facilities and its hybrid offerings of either cook-on-site or delivery, targeting a range of budgets. Further, the Group's direct feedback system and platform (see "*—Information Technology*") allow for greater stakeholder collaboration, which is further supported by the Group's ability to align with the client's ESG strategies and corporate values.

The number of contracts to which the Group is a party with clients in the business & industry sector has grown from 57, to 70 and to 86 as at 30 September 2021, 2022 and 2023, respectively.

Healthcare

Key characteristics of the healthcare sector include strict pricing regulations, a focus on value-based care and demand for high hospitality services and technology-driven solutions. The sector is governed by a robust regulatory and governance framework, which requires accreditations including the Joint Commission International Quality Accreditation. The sector is heavily influenced by government initiatives, including governments promoting medical tourism and specialty care and the Abu Dhabi government focusing on consolidating healthcare services. Clients in the healthcare sector have extensive risk mitigation policies, which typically include a multiple contractor award.

The Group has been serving clients in the healthcare sector since 2006. For example, the Group entered into its first contract with Mediclinic in 2008, which has been renewed four times since the contract was first awarded. The Group provides food services, coffee shop operations and cleaning and manpower services at seven hospitals and 28 clinics across the UAE, serving approximately 1.1 million customers in its cafes and approximately 1 million patient meals per year, utilising 900 members of staff.

The Group's ability to capture market-share in this sector is supported by the Group's specialised focus in healthcare culinary operations and its ability to offer customisable and nutritious therapeutic menus via technology-driven patient ordering systems. Further, the Group's high governance standards, ethics and sustainability standards and practices, alongside the standard operating procedures it has implemented for consistency and optimisation present a strong value-add for clients in the healthcare sector, as does the Group's ability to offer its Husk brand for an enhanced end-customer experience.

The number of contracts to which the Group is a party with clients in the healthcare sector was 58 as at 30 September 2021 and 57 as at 30 September 2022, growing to 65 as at 30 September 2023.

Education

Key characteristics of the education sector include the short academic year, making labour flexibility and productivity key to the Group's service offering, as well as the involvement of multiple stakeholders necessitating collaboration and educators forming strategic alliances to enable greater purchasing power. Further, nutritional and safety standards for the education sector are set at Municipality level.

The Group has been serving clients in the education sector since 1980. For example, the Group entered into its first contract with the British International School Abu Dhabi in 2018 and the contract has been renewed a further three times in competitive tender processes. The Group provides food services to the British International School Abu Dhabi, having opened a new catering facility in January 2024, serving approximately 57,000 meals per year to approximately 2,100 students across age groups four to 18. In addition, the Group entered into its first contract with the University of Birmingham Dubai in 2023 for the provision of food services to its approximately 2,000 students. As part of this contract the Group has launched a Costa Coffee outlet and plans to launch a pop-up health bar and run nutrition workshops.

The Group's ability to capture market-share in this sector is supported by the Group's offering bundled services to clients for a cost-effective solution and its robust technology-driven health and safety system and sustainability plan (see "*Health and Safety, Environment and Quality— Environment*"). The Group's financial stability and strength provides it with the ability to offer investment to schools and universities, for example, through the installation of new retail outlets and upgrading dining facilities. Further, the Group offers value-add to clients in the education sector by promoting health and wellness programs in collaboration with clients and enforcing its 'Committed to Care' program to meet workforce welfare standards.

The number of contracts the Group is a party to with clients in the Education sector has grown from five to seven and to eight as at 30 September 2021, 2022 and 2023, respectively.

Client Relationship Management

The Group's client relationship management strategy for its Food Services and Support Services Segments is split into five complementary steps for each of the two limbs of its strategy; retention and sales, as set out in the following diagram:

Procurement

A focused procurement strategy has been designed by the Group to maintain its competitiveness and is underpinned by strong governance, effective policies and procedures, sustainability initiatives and effective KPIs that are closely monitored. The key pillars that form the foundation of the broader procurement strategy include incorporating sustainable cost reductions through effective analytics, mitigating inflation by choosing the best products from alternative sources, leveraging scale to remain competitive and choosing partners that align with the Group's values.

The Group has designed and implemented a bespoke seven-step procurement process, that is structured, analytical and collaborative.

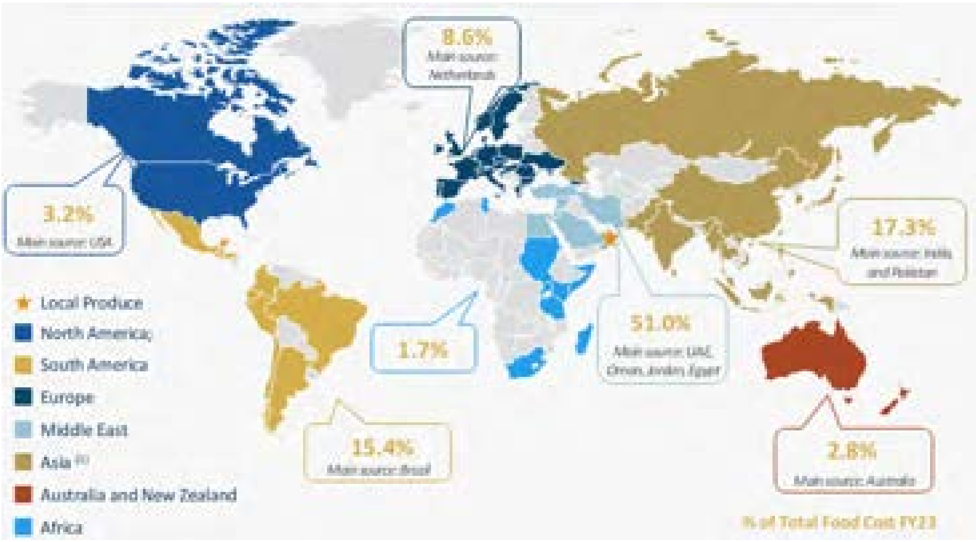
1. Business Trigger – present the rationale and scope of the sourcing project.
2. Financial Data Analysis – analyse and evaluate spend, internal business needs and external supply conditions.
3. Identification of Business Needs – using insights from step 2 to tailor the sourcing strategy.
4. Access Supply Market – solicit proposals and negotiate with suppliers.
5. Sourcing Strategy and Negotiation – execute legally binding contracts.
6. Implementation – collaborate with stakeholders and work to ensure timely benefit delivery.
7. Drive Category Growth – maximise the value of supplier relationships.

This seven-step process supports transparency and flexibility in the Group's purchasing strategy and was created based on best practices in the industry and further refined by management expertise. All of the seven steps are managed through a highly personalised control-centered process, where purchase orders are placed automatically, and are then relayed to logistics partners, which centralises collection from suppliers and distributes resources according to unit orders, with 58% of purchases being consolidated through third-party logistics providers.

Further, the Group uses procurement solutions software to help the Group maintain consistency in its approach and allows the Group to offer easy guide-throughs of the procurement process, allowing for greater visibility and knowledge-sharing (see "—*Information Technology*"). For example, Procurement and Operations Teams track and monitor product opportunities on a live basis, and the opportunity analysis tools allow the Operations Team to identify where products can be switched to improve financial performance and the Procurement Team can manage opportunities through the implementation of approved products lists.

Sourcing

As of 30 June 2024, the Group has a wide geographic reach in its sourcing network, with local produce from the UAE forming the base of its network. The Group sources 7,064 stock keeping units from 279 contracted suppliers in 78 countries. The Group's ability to source from around the world reduces supplier concentration risk and the risk of disruption to its procurement processes. The Group places emphasis on sourcing products locally, with approximately 51% of the products it uses being sourced from local suppliers.



(1) Excludes the Middle East, Australia and New Zealand.

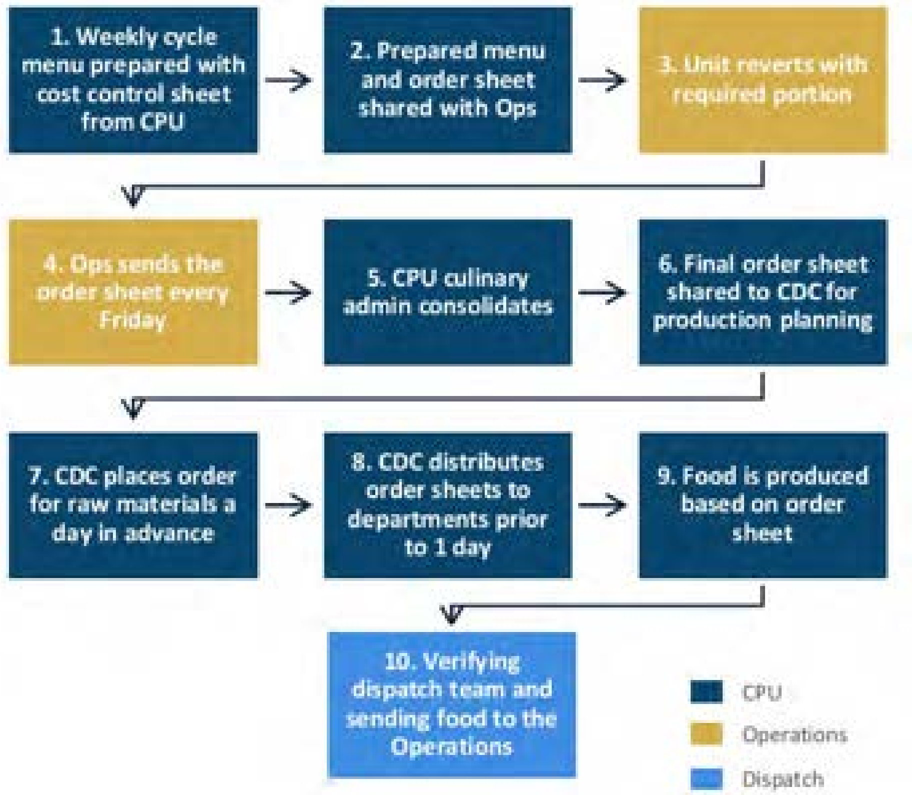
Distribution

The Group uses a combination of direct delivery and third-party logistics models, with a preference for the third-party logistics model. The third-party logistics models centralises collection from suppliers, before deploying to operational units, with purchase orders being placed automatically and relayed to partners. Units are then noted as success/failure via notification for each order placed, successful orders then follow the delivery schedule, which is a fixed schedule with no inventory held.

The third-party logistics model provides a number of cost benefits through savings on delivered product costs and reduced administrative burden on the Group's staff, for example, orders are placed with one entity resulting in fewer invoices and a reduced number of deliveries requiring scheduling. Further, the third-party logistics model improves governance controls, reducing theft and shrinkage and improving traceability of products, whilst improving service levels and the Group has been able to reduce its carbon footprint.

Food Preparation Facilities

As one of the leading food services providers in the GCC region, the Group is well positioned to serve the dynamic markets in the KSA and UAE, via a combination of its Central Production Facilities and on-site kitchens. The Group's food preparation process, as illustrated below, is designed to enhance efficiencies and speed of delivery.



Central Production Facilities

The Group's Central Production Facilities are one of its competitive strengths (see "*—Competitive Strengths—Strategically Located Central Production Facilities with Clear Procurement Processes to Deliver Centralised Solutions and Innovative Food Service Technologies—Strategically Located Central Production Facilities*"). The Dubai Central Production Facility, located in Bollywood Parks, was opened in November 2022. As at 30 June 2024, the Dubai Central Production Facility served approximately 14,500 meals daily to 28 clients and has the capacity to produce approximately 17,500 meals daily.

The Abu Dhabi Central Production Facility, located in ICAD Industrial City, was opened in March 2022. As at 30 June 2024, the Abu Dhabi Central Production Unit served approximately 4,500 meals daily to six clients and has the capacity to produce approximately 19,000 meals daily.

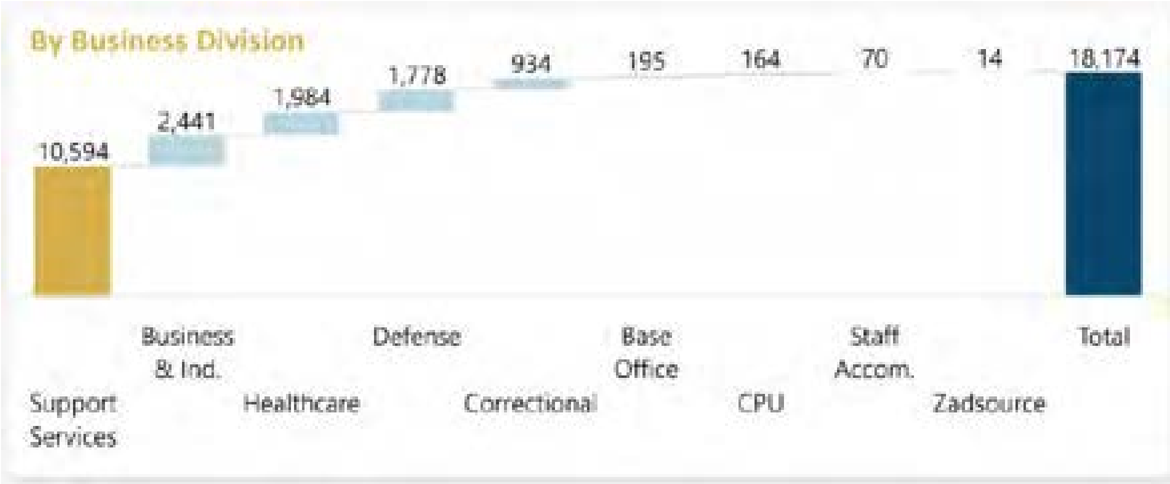
On-site Kitchens

As at 30 June 2024, the Group operated 160 on-site kitchens (excluding those on vessels) at major client locations. As at 30 June 2024, on-site kitchens served approximately 133 million meals per year, utilising 270 vehicles and 7,313 members of staff.

Workforce

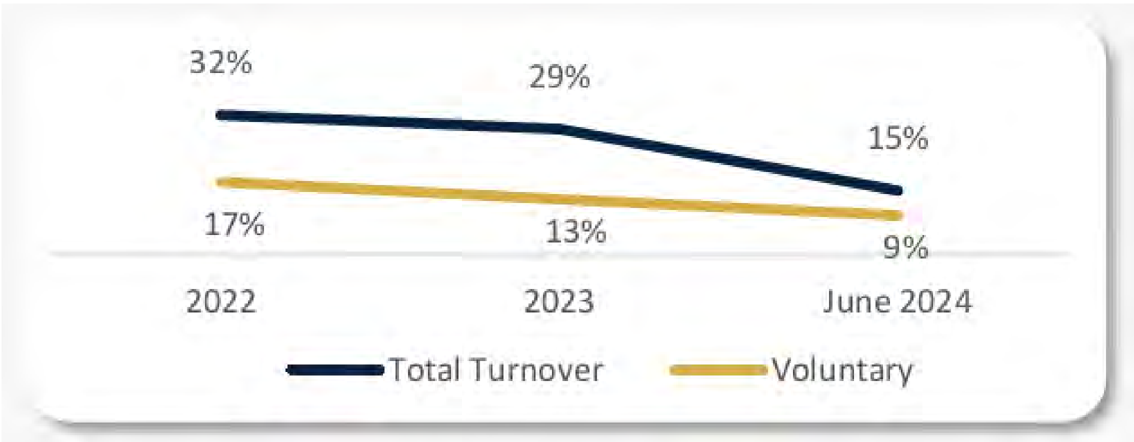
All members of the Group's UAE workforce are employed by the Selling Shareholder, who is the employer of record and obtains visas for all members of the Group's UAE workforce through the Department of Immigration. The Group pays the Selling Shareholder an annual services fee in return for employing the Group's UAE workforce and obtaining visas for its UAE workforce on the Group's behalf (see "*Material Agreements—Intercompany Services Agreement*"). All members of the Group's workforce in the KSA are employed directly by Compass Arabia.

As at 30 June 2024, the Group's workforce comprised over 18,000 members of staff who work across its business divisions, originating from 72 countries speaking approximately 80 languages, with 0.7% working in executive management roles, 1.1% in middle management roles and 98.1% working in staff roles.



Of the Group's workforce, 15.3% are female, and 14.4% of management roles are fulfilled by female members of staff.

The Group places emphasis on providing a high-quality working environment and high quality of life for its workforce. The success of this emphasis is evidenced by 15.3% of the Group's workforce having a tenure of over 10 years, 49.7% having a tenure of between two and 10 years and 35.0% having a tenure of under two years. Further, the Group's total turnover was 15% as at 30 June 2024, and the Group's voluntary turnover was 9% as at 30 June 2024.



Workforce Welfare

The Group places the utmost focus on the wellbeing of its workforce, implementing its 'Committed to Care' and 'Care to Connect' programs with the aim of upholding the highest standards of recruitment and wellbeing. The 'Committed to Care' program aims to create a transparent and free of cost recruitment journey, that promotes a diverse workforce, builds a caring and winning culture and provides skills for life and tools for success, developing clear career pathways and establishing the Group as a responsible member of the community.

The Group's efforts in upholding the wellbeing of its workforce have been recognised by third-parties, with ADNH Catering Abu Dhabi receiving the 'Best Company to Work For - Large' and 'Best Recruitment Strategy' awards at the UAE Employee Happiness Awards 2022/23.

The Group provides premium, apartment-quality, housing facilities for its workforce, housing up to 6,700 members of staff across over 30 sites. The Group's housing facilities contain a number of amenities, including mosques, gyms and recreational areas. The Group employs a dedicated residence team with the aims of enhancing staff lifestyle and maintaining workforce retention rates.

In accordance with the laws of the UAE, the Group provides end of service benefits to non-UAE national employees. Entitlement to these benefits is based on the employee's length of service and the completion of a minimum service period. UAE national employees benefit from a government instituted pension plan into which both the Group and UAE national employees contribute at prescribed rates.

In accordance with the laws of the KSA, the Group provides end of service benefits to its workforce in the KSA. Entitlement to these benefits is based on the employee's length of service and the completion of a minimum service period.

Workforce Training

Through its comprehensive training and development program, the Group aims to ensure its workforce is highly-driven and engaged, aiming to deliver world-class service. The Group is approved by the Highfield Awarding Body for Compliance and delivered 60,986 training hours for the year ended 30 September 2023 and 59,047 training hours for the nine-month period ended 30 June 2024, across 321 modules and 896 sessions delivered to 8,187 members of staff.

The Group operates a number of training programs, including:

- 'Al Akadimia', an in-house academy for career progression which empowers staff via opportunities for career advancement and skill diversification;
- 'The Caregivers Excellence Program', which empowers and upgrades the skills of housekeepers through week-long training at dedicated hospitals in Dubai and Abu Dhabi;
- 'Elite', a comprehensive office skills enhancement program, designed specifically for office service staff; and
- 'The Retail Rockstars Program', enhance performance, engagement and consistency across retail locations.

Emiratisation

The government of the UAE imposes a mandatory quota on the number of UAE nationals a company operating in the UAE is required to employ. In the UAE, the Selling Shareholder is the employer of record of the Group's workforce. As a quasi-government entity, the Selling Shareholder is not currently subject to any Emiratisation quotas and therefore no Emiratisation quotas apply in respect of the Group's workforce (see "*—Risks Relating To The Group's Business And Industry—The Group is reliant on the assistance and continued cooperation of the Selling Shareholder in certain areas of its operations, including when tendering for certain new contracts, as the counterparty of record in contracts for approximately half of its clients, and assisting with the procurement of work visas for its workforce*").

Saudisation

The government of the KSA imposes a mandatory quota on the number of KSA nationals a company operating in the KSA is required to employ. The quota imposed is variable depending upon a number of factors, including, among others, the type of business being conducted by the company, the department for which the employees are working and the total number of employees employed by the company. The KSA government imposes a mandatory quota on the number of KSA nationals that

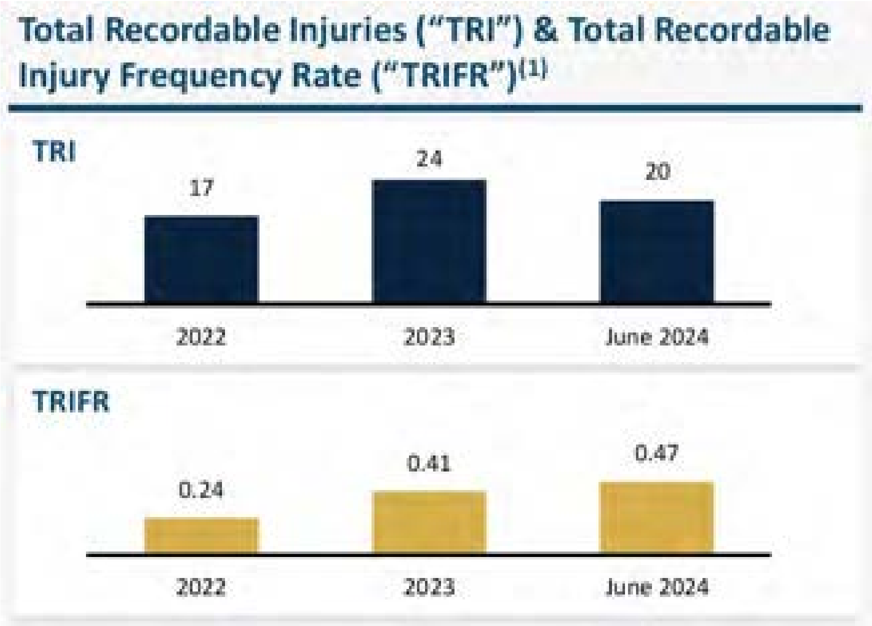
Compass Arabia must employ of 24% in 2024. For the year ended 30 September 2023, KSA nationals made up approximately 29% of the Compass Arabia's workforce, with Compass Arabia being awarded mid-green Niqat status.

The Group is committed to increasing the proportion of its staff employed by Compass Arabia who are KSA nationals and to develop their training and expertise. The Group has undertaken initiatives to involve more KSA nationals in its business, including hosting job open days, roadshows and speaking with target groups.

Health and Safety, ESG and Quality Assurance

Health and Safety

Health and safety is a key priority of the Group, encompassing food safety, the health and safety of the Group's workforce and the health and safety of the Group's clients and their respective end-customers. The Group is committed to maintaining high health and safety standards, with an aim to operate with a total recordable injury frequency rate of below 2.1.



(1) As of 30 June 2024

In pursuit of this goal, the Group has a dedicated health and safety team in place, including a team of occupational health nurses who support the care of the Group's workforce, and has implemented a broad range of health and safety measures and initiatives, including establishing an incident management center to provide real time responses and immediate resolutions for health and safety issues, implementing an in-vehicle monitoring system, and a digitised temperature monitoring system to help ensure top-class food safety standards, in addition to maintaining a register of all health and safety regulations the Group is required to comply with, which is reviewed and updated twice per year. The Group's commitment to health and safety was recognised by Expo 2020 who named the Group the Best Service Provider for Health and Safety and the Best Health and Safety Manager.

ESG

Environmental

Environmental leadership is a goal of the Group. In pursuit of this goal, the Group is a member of the

UAE MOCCAE sustainability taskforce, is developing menus and recipes focused on environmentally sustainable practices, such as veganism and is working to increase the proportion of its products that are locally sourced.

A key environmental target of the Group is to achieve net zero across its operations and value chain, which the Group aims to achieve by meeting key milestones across the next 25 years.

The Group plans to achieve these milestones through its actionable initiatives in the following areas:

- direct emissions – route optimisation, utilising biodiesel from cooking oil and transitioning to an electrical vehicle fleet;
- indirect emissions – reducing utilities usage through sensors and monitoring, switching to LED lights and installing solar systems with battery storage;
- supply chain and operations – sourcing products locally, reducing usage of high-carbon products, such as beef, enforcing culture that minimises food waste, composting and eliminating single-use plastic; and
- active projects – working with local authorities on establishing regulations; partnering with local suppliers, culinary focus on plant-based recipes, carbon recipe labelling, food waste tracking and introducing biodegradables.

In pursuit of these goals, in 2023, the Group avoided 10,035 kg of $C0_2$ emissions through the use of B5 biodiesel within its 47 buses, replaced 90% of lightbulbs in staff accommodation to LED bulbs, eliminated all single-use plastic bags and all Styrofoam packaging products and 41% of the food products it used in its operations were locally sourced. Further, the Group achieved 100% certified sustainable palm oil use in 2024, after setting the goal in 2022, as certified by Control Union and Intertek.

Social

The Group's social goals focus on strengthening its community and empowering the members of its community, including members of its workforce, its suppliers and its clients. The Group's social goals include increasing its charitable contributions, while offering educational support and raising awareness of social issues at local events. Further, the Group's constant focus on maintaining high health and safety standards is one of the Group's key social goals (see "—*Health and Safety*").

Governance

The Group has a strong history of corporate governance, implemented via a combination of comprehensive policies and a robust and well-rounded board structure.

Quality Assurance

The Group holds a suite of certifications from the International Organisation for Standardisation, including ISO 9001:2015 as of 26 July 2021, ISO 45001:2018 as of 4 September 2021, ISO 22000:2018 as of 9 August 2023, and ISO 14001:2015 as of 26 July 2021.

The Group maintains an Integrated Management System certification from which all systems and processes across the Group are maintained for consistency and integrity, particularly in relation to food safety and OHS management systems. Quality Assurance activities are recorded using customised software 'GoAudits' utilised for checklists, inspections and audits relating to internal systems. Further, the Group employs third party auditors to conduct periodical reviews and independently assess quality assurance.

Insurance

The Group maintains insurance coverage that it believes is in line with standards adopted by the food and services markets in the UAE and KSA, including policies in respect of general public and product liability, property damage and business interruption, non-damage business interruption, cybersecurity, directors and officers, professional indemnity, fidelity guarantee, workmens compensation and employer liability, airside liability and group life insurance (see "*Risk Factors—Risks Related to the Group's Business and Industry—The Group is not fully insured against all potential hazards and risks incidental to its business and its insurance coverage may not adequately cover its losses*").

Properties

As at 30 June 2024, the Group leased 32 premises from third parties that it utilised as accommodation for its workforce, two lease agreements in respect of the Group's Central Production Facilities and a number of leases in respect of the on-site kitchens and canteens operated by the Group. Further, the Group has entered into a lease agreement with the Selling Shareholder in respect of its head office (see "*Related Party Transactions—Head Office Lease*").

Intellectual Property

As of the date of this Prospectus, the Group is the registered owner of three trademarks in the UAE, in respect of ZadSource, Husk and ADNH Catering, in addition to one trading name 'Food Hive Delivery Services'.

In addition, the Group has three registered domain names, for the use of adnhc.me, adnhc.ae, zadsource.com and husk.ae.

Information Technology

The Group utilises technology throughout its operations, with a focus on technologies that enable the Group to deliver exceptional service to its clients. As part of its daily operations the Group uses the following systems:

- SAP, for ordering and inventory management and client invoicing etc;
- Foodics, for its point of sale transactions;
- Anaplan, for budgeting and forecasting;
- Kronos, for workforce management;
- Simfoni, for 'Procure to Pay' systems;
- Nutritics, for nutritional and allergen information;

- Go Audits, for health and safety audits and incident reporting;
- Did We Make You Smile (DWMYS), for customer satisfaction management; and
- CCI, for client surveys and feedback.

The Group's technology systems and applications are hosted in AWS or Azure Cloud, with a limited need for on-premises hosting. All the end user connections are secured via Zscaler, a security-as-a-service cloud-based security solution to protect organisations from cyber threats and enable secure user access to the internet and private applications.

The Group's information technology and digital systems are supported by an in-house team that focus on operational functionality and communication with external vendors as required for installation and development opportunities. The Group regularly reviews its suite of technology solutions to identify the potential for synergy or efficiencies, while maintaining its currency with modern trends and technologies.

Litigation

From time to time, entities within the Group are a party to disputes that arise in the ordinary course of its business, none of which are expected to have a material adverse impact on the Group's financial position or profitability, even in the event there is an adverse finding against the relevant Group entity.

The Group has not been involved in any material governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Group is aware) during the last 12 months preceding the date of this Prospectus which may have, or have had, a material effect on its financial position or profitability.

2. Statement of capital development

Company's current share capital structure before the commencement of the Offering

The capital of the Company has been fixed at AED 225,000,000, divided into 2,250,000,000 (two billion two hundred fifty million) Shares with a nominal value of AED 0.10 (ten fils) each. All Shares are equal in respect of all rights.

The following table illustrates the Company's ownership structure before and after completion of the Offering:

As at the date of this Prospectus –

Before Offering:

Name	Nationality / Country of Incorporation	Type of shares	Number of shares owned	Total value of shares owned*	Ownership proportion
Abu Dhabi National Hotels Company PJSC	UAE	Ordinary	2,250,000,000	AED 225,000,000	100%

*Based on the nominal value.

After Offering:

Name	Nationality / Country of Incorporation	Type of shares	Number of shares owned	Total value of shares owned*	Ownership proportion
Abu Dhabi National Hotels Company PJSC	UAE	Ordinary	1,350,000,000	AED 135,000,000	60%
Successful Subscribers at Listing	Various	Ordinary	900,000,000	AED 90,000,000	40%

*Based on the nominal value.

Company's capital structure upon completion of the Offering

Upon the completion of the Offering and subject to no increase in the Offer Size, the Company's paid-up share capital shall be AED 225,000,000, divided into 2,250,000,000 (two billion two hundred fifty million) Shares with a nominal value of AED 0.10 (ten fils) per Share.

Assuming all of the Offer Shares are allocated and the Offer size is not increased, the Selling Shareholder will hold in aggregate 60% (sixty per cent) of the total share capital of the Company, assuming that the Selling Shareholder sells all of the Shares being offered and the Offering size is not increased. The Company has presented its plan to SCA for the Selling Shareholder to offer 40% (forty per cent) of the total share capital of the Company. The Selling Shareholder reserves the right to amend the size of the Offering and size of any Tranche at any time prior to the end of the subscription period at its sole discretion, subject to the applicable laws of the UAE and the SCA's approval.

No. of Selling Shareholder's Shares:	**1,350,000,000 Shares**
No. of total Subscribers' Shares (assuming all Offer Shares are allocated including all Tranches mentioned under the Prospectus):	**900,000,000 Shares**
Total:	**2,250,000,000 Shares**

3. Statement of the status of litigation actions and disputes with the Company over the past three years

The Company has not been involved in any material, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) preceding the date of this Prospectus which may have, or have had, a significant effect on its financial position or profitability.

4. Statement of the number and type of employees of the Group and of its subsidiaries:

As at 30 June 2024, the Group employed approximately 18,000 employees.

5. Accounting policies adopted at the Company:

The Company prepares its accounts in accordance with IFRS as issued by the International Accounting Standards Board.

6. Statement of Company's financings, credit facilities and indebtedness and the most significant conditions thereof:

Please refer to '*Material events and contracts concluded by the Company (including related party agreements)*'.

7. Statement of current pledges and encumbrances on the Company's assets:

None.

8. Investment Risks:

Investing in and holding the Shares involves financial risk. Prospective investors in the Shares should carefully review all of the information contained in this Prospectus and should pay particular attention to the following risks associated with an investment in the Company and the Shares that should be considered together with all other information contained in this Prospectus. If one or more of the following risks were to arise, our business, financial condition, results of operations, prospects or the price of the Shares could be materially and adversely affected, and investors could lose all or part of their investment. The risks set out below may not be exhaustive and do not necessarily include all of the risks associated with an investment in the Company and the Shares. Additional risks and uncertainties not currently known to the Company or which it currently deems immaterial may arise or become material in the future and may have a material adverse effect on the Company's business, results of operations, financial condition, prospects or the price of the Shares.

Risk Factors

Any investment in the Offer Shares is subject to a number of risks. Prior to investing in the Offer Shares, prospective investors should carefully consider the risk factors associated with any investment in the Offer Shares, the Group's business and the industry in which it operates, together with all other information contained in this Prospectus including, in particular, the risk factors described below.

The risk factors detailed below are not an exhaustive list or explanation of all risks that investors may face when making an investment in the Offer Shares. The risk factors detailed below and additional risks and uncertainties relating to the Group that are not currently known to the Group, or that the Group currently deems immaterial, may individually or cumulatively also have a material adverse effect on the Group's business, results of operations, financial condition, prospects and/or ability to pay dividends and, if any such risk should occur, the price of the Offer Shares may decline and investors could lose all or part of their investment. Prospective investors should consider carefully whether an investment in the Offer Shares is suitable for them in the light of the information in this Prospectus and their personal circumstances.

1 RISKS RELATING TO THE GROUP'S BUSINESS AND INDUSTRY

1.1 A decrease in the number of clients or levels of demand for the Group's services from its clients may materially adversely impact the Group's business, results of operations, financial condition and prospects.

All of the Group's revenues are derived from payments made by its clients for the supply of food services and support services, pursuant to contracts with terms of length typically varying from one to five years. The success of the Group's business depends on its ability to maintain or increase the number of clients with which it has contracted to provide food and support services and to maintain or increase the volume and value of the food services and the support services the Group supplies to its clients, both of which are subject to general risks inherent to the food service and support services sectors, some of which are outside of the Group's control. For instance, the number of clients the Group serves, or the levels of demand for the Group's services from those clients, may be impacted by changes in client preferences, for example, toward more environmentally sustainable products and away from disposable and single-use products or in favour of developing in-house capabilities and away from outsourcing. In addition, new competitors, particularly those that are government-backed, or industry disruptors, such as restaurants offering food services and cloud kitchens, may emerge that may capture market share, particularly in light of the increasing propensity for government entities to prefer awarding contracts to local entities as opposed to overseas entities, as is the case in the KSA, or there may be consolidation within the market resulting in larger competitors with more resources. Further, there may be a commoditisation of the food services and support services markets whereby clients consistently contract with the lowest-cost provider, driving down the values of contracts across those markets. If the Group were unable to respond to changing client demands or to changes in the competitive landscape, it may experience a decline in the number of clients it has contracts in place with and/or the volume and/or value of the services it provides pursuant to those contracts, each of which could materially adversely affect the Group's business, results of operations, financial condition and prospects.

1.2 The Group's business is reliant on certain Key Clients in the UAE who may seek to terminate their arrangements with the Group or re-negotiate them on terms that are less advantageous to the Group. They may also change their internal processes resulting in delays in their payments to the Group.

Revenues derived from the Group's top 10 clients (the "**Key Clients**") represented 51%, 57% and 49.8% of its total revenues for the years ended 30 September 2023 and 2022 and for the nine months ended 30 June 2024, respectively. The top two such Key Clients represented 26%, 35% and 24% of the Group's total revenues for the years ended 30 September 2023 and 2022 and for the nine months ended 30 June 2024, respectively. Any deterioration of the financial condition or business prospects of the Group's Key Clients, or a deterioration in their willingness to work with the Group, could result in the Group's Key Clients reducing their food service and support service expenditure with the Group via either seeking to terminate their contracts with the Group or renegotiate them on terms that are less favourable for the Group.

In particular, some of the Group's Key Clients operate in industries that have experienced adverse business and financial conditions during different phases of the economic cycle and have revised their internal procurement policies to prioritise nationalist and risk mitigation policies that favor government-backed providers or developing in-house capabilities. In 2023, client cost saving initiatives, particularly in the energy and defence sectors, resulted in an approximate cumulative reduction in revenue generated by the Group of AED 220 million.

Further, clients in the public sector typically have lengthy approval processes, which can result in delays in the processing and payment of invoices, and changes to internal processes and policies implemented by Key Clients could have a material adverse effect on the Group. For example, in 2023 a Key Client of the Group changed its internal payment processes, resulting in a delay in the Group receiving payment for services provided to the Key Client that adversely impacted the Group's cashflow.

Significant delays in the payment of invoices due to the Group may have a material adverse effect on the Group's cashflow and any of the foregoing could materially adversely affect the Group's business, results of operations, financial condition and prospects.

1.3 The Group is reliant on the assistance and continued cooperation of the Selling Shareholder in certain areas of its operations. For example, the Selling Shareholder is the counterparty of record in contracts for approximately half of the Group's clients, the Selling Shareholder assists with the procurement of work visas for the Group's workforce and the Selling Shareholder bids for certain new contracts on the Group's behalf.

When bidding for contracts where the 'in country value score' (the "**ICV Score**") is a factor considered by the tendering party, the Group has relied, and will continue to rely, upon the Selling Shareholder to bid for the contract and, upon being successful in a bid, enter into the contract as the counterparty of record. The Group will then perform the obligations under, and obtain the benefits of, the contract with the client, pursuant to the terms set out in the Intercompany Services Agreement entered into between the Group and the Selling Shareholder (see "*Material Agreements—Intercompany Services Agreement*"). As at 30 June 2024, the Selling Shareholder is the counterparty of record for approximately 50% of the Group's contracts, by value.

In addition, all members of the Group's UAE workforce are employed by the Selling Shareholder, who is the employer of record and obtains visas for all members of the Group's UAE workforce through the Department of Immigration. The Group pays the Selling Shareholder an annual services fee in return for employing the Group's UAE workforce and obtaining visas for its UAE workforce on the Group's behalf (see "*Material Agreements—Intercompany Services Agreement*").

In the event the Group is no longer able to benefit from the support services provided by the Selling Shareholder pursuant to the Intercompany Services Agreement, the Group will not benefit from the contracts to which the Selling Shareholder is the counterparty and the Group may be unable to meet its obligations to its clients under such contracts, for example, if it does not have access to its workforce. Further, the Group may be required to obtain visas for the members of its workforce and transfer the contracts of its workforce from the Selling Shareholder to a member of the Group, losing the cost advantages it is able to benefit from as a result of the Selling Shareholder securing visas from the Department of Immigration as opposed to the Department of Labour. Currently, the Group utilises the Selling Shareholder's manpower licence pursuant to the terms of the Intercompany Services Agreement, and were the Group required to employ its own workforce, any delay in obtaining its own manpower licence could result in delays in the Group being able to obtain visas for, and employ, its own workforce. As such, in the event the Group is no longer able to rely upon the services provided by the Selling Shareholder, there may be an increase the Group's costs and/or delays may be caused to the Group's operations, each of which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

1.4 The Group relies on vendors, suppliers and other third parties in the ordinary course of its operations and any failure on the part of these parties to meet their obligations may materially adversely impact the Group's business, results of operations, financial condition and prospects.

The Group relies on vendors, suppliers and other third parties for various aspects of its operations, including the supplies used in the provision of food services and support services, professional service activities, and other key equipment and goods, as well as the provision of IT software and services and other back-office services. If any third parties fail to perform their obligations in a timely manner or at satisfactory quality and cost levels, the Group may fail to deliver on contracts successfully, its reputation could suffer, and/or its costs could increase.

The Group's food services business depends on products purchased from the Group's top 10 suppliers (the "**Key Suppliers**"), which represented 43.5%, 39.5% and 51.6% of its total cost of sales for the years ended 30 September 2023 and 2022 and for the nine months ended 30 June 2024, respectively. If any of the Group's Key Suppliers fails to renew its supply agreement with the Group, or renew on terms that are less favourable for the Group, the Group's business, results of operations, financial condition and prospects could be materially adversely affected.

The Group strives to formalise agreements with vendors, suppliers and other third parties that define their expected service levels. In the event that one or more of these third parties fails to perform, ceases operations or becomes insolvent, replacement services may not be readily available on equivalent terms, or at all. If a third-party vendor or supplier fails to perform adequately, the Group may be required to incur remedial costs, may experience delays or be subject to negative publicity. Moreover, regulatory compliance issues or significant changes in the competitive marketplace among vendors, suppliers or other third parties could force the Group to renegotiate existing agreements on less favourable terms, any of which could have a material adverse effect on the business, results of operations, financial condition and prospects of the Group.

1.5 The Group is dependent on the adequate and timely delivery of quality food products, cleaning materials, equipment and other necessary supplies and, if its third-party logistics supplier or its other suppliers fail to deliver sufficient quality and quantities of food products, cleaning materials, equipment and other necessary supplies, the Group's business, results of operations, financial condition and prospects could be materially adversely affected.

The Group's operations are dependent on adequate and timely deliveries of food products, cleaning materials, equipment and other necessary supplies that meet certain requirements. Because many of these food products are perishable in nature, the Group does not maintain significant stocks in inventory, and depends on a combination of deliveries from third-party logistics providers and deliveries from approved suppliers directly. The Group is also required to ensure that ingredients containing meat are Halal compliant based on guidelines set by relevant authorities such as the Ministry of Industry and Advanced Technology and the Saudi Food and Drug Authority. A failure of the Group's third-party logistics provider, or a number of suppliers delivering directly to the Group, to provide the Group with sufficient quantities of food products and cleaning materials of adequate quality meeting the Group's standards as required and on a timely basis for any reason, including as a result of supply chain interruptions, shortages in products, interruptions in their own supplies (such as those that could be caused by inclement weather or the outbreak or escalation of hostilities) or their failure to retain the licences, permits and security access credentials required to deliver directly to the Group's clients, could result in a disruption or delay in supply of the ingredients, cleaning materials and other necessary supplies that the Group requires.

Although the Group conducts order forecasting and seeks to maintain sufficient stocks in inventory and alternative suppliers for its food products and cleaning materials, the Group's efforts may prove inadequate to prevent or mitigate material supply interruptions, shortages or other industry-wide disruptions. If any widespread disruptions in supply chains occur or if the Group is unable to obtain replacement food products or cleaning materials of adequate quality or sufficient quantity on commercially agreeable terms in the open market, this could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

1.6 The Group's business is dependent on its ability to attract and retain its workforce and the Group is exposed to risks arising from its relationships with recruitment agencies and laws and regulations implemented in jurisdictions from which it recruits its workforce.

The Group's business is dependent on its ability to attract and retain its workforce, the majority of which are recruited from outside of the UAE and the KSA, with the largest concentrations being hired from India, Nepal and the Philippines. Accordingly, the Group's inability to recruit and retain its workforce from any of the above countries, for any reasons, including as a result of a deterioration in the diplomatic relationships between the UAE or the KSA and any such country, would adversely affect the Group's ability to recruit and supply manpower resources. For example, between 2016 and

June 2024, the Group and its Selling Shareholder were the subject of a hiring ban imposed by the embassy of the Philippines that prevented it from hiring and issuing visas to employees from the Philippines. Further, in 2023, the Ministry of Human Resources and Social Development in the KSA concluded an agreement with the government of the Philippines that placed restrictions on the recruitment of employees from the Philippines, including setting a minimum wage of SAR 1,500 per month for domestic employees. Any such restrictions, or an increase in the cost of recruiting and employing its workforce, could adversely affect the Group's operations or cost base, which could have a material adverse effect on its business, financial condition, results of operations and prospects.

Further, the Group recruits manpower resources using search and selection processes from recruitment agencies located in seven different countries. As of 30 June 2024, the Group had contractual relationships with 15 recruitment agencies in a number of countries, including India, Nepal and the UAE, for the recruitment of qualified foreign employees across a number of roles. In the event that one of the parties to the agreements with such foreign recruitment agencies fails to meet its contractual obligations, the affected party may terminate the relevant contract and request compensation from the other party in the form of damages. In addition, the Group may not be able to renew its contracts with recruitment agencies upon their expiration, or it may not be able to renew such contracts at terms that are advantageous to the Group. If the Group fails to maintain its relationships with recruitment agencies, the Group may not be able to recruit qualified foreign employees, which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

1.7 Certain contracts to which the Group is a party may contain unfavourable provisions, particularly those with public sector entities, and the Group may be party to contracts which are expected to result in a loss and provisions set aside for anticipated losses from contracts may not be sufficient.

Certain of the contracts to which the Group is a party, particularly those with public sector bodies and agencies or private sector customers with significant bargaining power, may contain provisions that give such clients contractual rights and remedies, some of which, although customary in the sectors in which it operates, can be onerous for the Group. These provisions may sometimes include very high or uncapped liabilities (whether as a result of market practice or by operation of law), potentially onerous key performance indicators, penalties, onerous remediation or maintenance costs, provisions with respect to liquidated damages, and provisions which give customers a right to take over the assets and/or the management of a contract in certain circumstances. Certain contracts do not include any termination rights for the Group or exclusion of consequential damages, do not provide for a price review mechanism or recovery of capital expenditure, and allow customers to terminate contracts at will (without cause), in whole or in part, after expiry of the applicable notice period. If the Group fails to meet any of the onerous obligations in its contracts, it could be subject to claims for damages and it may incur operating losses, and provisions set aside for anticipated losses from contracts may not be sufficient, all of which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Further, the Group may opt not to submit a bid for a new contract, or for a renewal of a contract, or it may not agree to the proposed terms of a contract it assesses will be unprofitable or insufficiently profitable. For example, in 2022 the Group did not agree to the terms for the renewal of a contract with a Key Client, as it assessed the contract would be insufficiently profitable on the proposed terms. As a result, should the Group opt not to submit bids for new contracts, or for the renewal of existing contracts, the number of contracts to which the Group is a party could decrease, which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects, in particular, as a result of a reduction in the revenue generated by the Group.

1.8 The Group is subject to risks associated with bidding for, and entering into, contracts, including correctly assessing and agreeing pricing terms that provide for a level of return on the contract, accurately anticipating the costs of performance, workforce requirements and other obligations, evaluating contractual and operational risks, including the risks of early termination or change of scope of contracts by clients, and realising bidding opportunities and securing new contracts and renewals.

The profitability of contracts performed by the Group depends upon, among other things, its ability to price contracts at a level that is competitive with other companies, while also taking into consideration factors that impact the margins sought on these contracts, some of which are outside the control of the Group. As of 30 June 2024, 15 of the contracts to which the Group is a party are unprofitable, excluding new mobilisations.

Contracts with the Group's clients are typically structured as one to five year agreements. Bidding for long-term contracts typically requires the Group to make judgements on, amongst other things, contract requirements, likely future revenue and costs incurred by the Group. Many factors may influence the Group's judgement, some of which cannot be identified at the time of bidding for, and entering into, the contract. For example, the Group may overestimate volume or demand or underestimate labour or other resource requirements of a contract.

Upon entry into a contract, the Group must successfully manage both day-to-day and medium to long-term operations in order to generate the targeted profit on these contracts, including adequately managing project costs. The Group may also be required to incur significant upfront costs to begin work on a new contract, which may be higher than originally contemplated and which it may be unable to recover. Failure to appropriately manage and price these risks may result in a contract being loss-making.

The Group may not be able to accurately predict the costs or revenue, or identify or quantify all the risks, associated with its contracts, the complexity of the services provided, or the costs of terminating such contracts, each of which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

1.9 The Group is subject to risks in relation to maintaining and protecting the health and safety of its workforce.

The Group has policies, procedures and controls in place to protect the health and safety of its workforce, including whilst they are working, whilst they are being transported to and from work sites and whilst they are residing in housing facilities provided by the Group. There can be no assurance, however, that the policies, procedures and controls implemented by the Group will be successful in managing health and safety challenges across its operations. For example, in 2022 an employee was injured in a fall that resulted from a failure to properly follow equipment handling procedures, and in 2023 a routine food inspection found that food was not being stored at the correct temperatures, both incidences of which resulted in the Group revising its safety protocols and providing comprehensive training to its staff. The Group's workforce, particularly in the Support Services Segment, may be required to perform certain tasks such as working at heights or on slippery floors, working in environments containing dust, viruses or bacteria and working with cleaning chemicals such as bleach and detergents and corrosive or inflammable chemicals. There is no guarantee that the Group's OHS management systems and safety measures will successfully prevent accidents from occurring or that its workers will fully comply with such system or measures.

If there is a serious breach of health and safety policy, procedures or controls and an incident occurs which requires the Group to respond to a health and safety situation or which requires it to investigate whether its policies and procedures were appropriately followed and controls correctly implemented, it could disrupt business operations, have a negative reputational impact and lead to additional costs, including in the form of penalties or remediation costs. Failure to prevent or respond effectively to such breaches could have a material adverse effect on the business, results of operations, financial condition and prospects of the Group.

1.10 An increase in the Group's cost of sales or administrative expenses may materially adversely impact the Group's business, results of operations, financial condition and prospects.

The Group's cost of sales or administrative expenses could increase as a result of a number of factors, particularly if the Group's labour costs or food costs were to increase as a result of an increase in the wage rates imposed by the embassies of the countries from which the Group's workforce are employed or there is regional or global inflation in food costs. Further, an increase in utilities costs, an increase in visa fees, equipment repair and maintenance costs, insurance premiums, and rents of real estate leased by the Group could also result in an increase in the Group's cost of sales and administrative expenses. The combined general and administrative expenses (comprising primarily of staff costs, maintenance costs and license fees) of ADNH Catering Abu Dhabi, ADNH Catering Dubai and ADNH Catering Sharjah amounted to AED 50.6 million, AED 76.3 million and AED 51.8 million for the financial years ended 30 September 2023 and 2022, and for the nine-month period ended 30 June 2024 respectively. The combined costs of sales (comprising primarily of staff costs, costs of material and rent expenses) of ANDH Catering Abu Dhabi, ADNH Catering Dubai and ADNH Catering Sharjah amounted to AED 1,523.9 million, AED 1,674.0 million and AED 1,034.2 million for the financial years ended 30 September 2023 and 2022, and for the nine-month period ended 30 June 2024, respectively. Any increase in the Group's cost of sales or administrative expenses could reduce its profit margin and reduce the working capital available for the Group's operations and the implementation of its strategy, particularly if the Group is unable to pass these increased costs onto clients due to contracts, for example due to, among other reasons, the contracts having fixed prices for the duration of their term. In turn, the Group's business, results of operations, financial condition and prospects could be materially adversely affected.

1.11 The Group's operations in the KSA are subject to a range of risks and external factors.

As of 30 September 2023, the Group's operations in the KSA represented approximately 9% of its total clients (see "*Business Description —KSA Business Overview*") and further expansion in the KSA is a key strategy objective of the Group (see "*Business Description—Strategy—KSA Growth Opportunity*"). The Group's ongoing operations in the KSA, and its strategy of further expansion in the KSA, are subject to a range of risks and external factors, including, but not limited to:

- failure to maintain positive relations with Compass Group International B.V. and its group (the "**Compass Group**") and Al-Rushaid Petroleum Investment Company, the Group's joint shareholders of Compass Arabia, under the terms of the Compass Arabia Shareholders Agreement;
- actions by the Compass Group and Al-Rushaid Petroleum Investment Company that may be

adverse to the interests of the Group;

- termination of the Compass Arabia Shareholders Agreement (see "*Material Agreements—Compass Arabia Shareholders Agreement*");
- the Group's inability to increase its shareholding in Compass Arabia;
- decline in market acceptance, and support for, the Group's proposition in the KSA;
- an inability to build and scale a strong and reliable team;
- an inability to build and scale strong relationships with local suppliers and authorities; and
- failure by the Group's existing clients in the UAE to expand their operations into the KSA, resulting in lower than expected levels of demand for the Group's services in the KSA from its existing clients in the UAE.

Any of the above risks and external factors may adversely affect the Group's current operations in, and further expansion into, the KSA, which could have a material adverse effect on the Group's reputation, business, financial condition, results of operations and prospects.

1.12 An inability of the Group to obtain, renew and retain the permits, licences and approvals necessary for the conduct of its business and operations may result in a reduction or total stoppage of the Group's operations.

The Group is required to obtain and maintain the necessary regulatory permits, licences, and approvals from government authorities for its business operations and activities. These permits, licences and approvals include, but are not limited to, commercial registration certificates for the Group companies, trade licences, trademark registration certificates and Saudisation certificates in each case relating to the business operations of the Group. Moreover, the Group is also dependent on the Selling Shareholder for receiving certain licences, for example, with respect to the employment of the Group's employees. See also "*The Group is reliant on the assistance and continued cooperation of the Selling Shareholder in multiple areas of its operations, including utilising its ICV Score when tendering for new contracts, as the counterparty of record in contracts for certain of its Key Clients and assisting with the procurement of work visas for its workforce.*"

Most of the Group's existing licences are subject to conditions under which they could be suspended or terminated if the Group fails to fulfil and abide by the underlying conditions. Moreover, when seeking to renew or amend the scope of a licence, there is no guarantee that the concerned authority will renew or amend the licence or, if it does renew the licence, that no conditions will be imposed which might adversely affect the Group's operations, which in turn would adversely and materially affect the Group's business, results of operations, financial condition and prospects.

If the Group does not obtain or renew a licence necessary for its operations, or if any of its licences expire or are suspended or renewed under unfavourable conditions to the Group, the Group will be required to cease carrying on its business totally or partially and / or may be subject to fines issued by the relevant Governmental authorities. For example, the Group is dependent on the Selling Shareholder's manpower licence, however, ADNH Catering Abu Dhabi is party to 14 client contracts that contain elements that could be considered a supply of manpower. If ADNH Catering Abu Dhabi is found to be supplying manpower without a licence it could face sanctions by Governmental authorities including financial penalties.

Any such instances would interrupt or disrupt the Group's operations and cause the Group to incur additional costs, and would adversely and materially affect the Group's business, results of operations, financial condition and prospects.

1.13 The Group is increasingly dependent on information technology and the Group's operations could be impaired or materially adversely affected by a failure, disruption or breach of its information technology systems or any failure to update or upgrade these systems in a timely manner.

The Group's information technology systems are essential to a number of critical areas of the Group's business operations, including for point of sale ("**PoS**") transactions, procurement and supply chain management and workforce management. The Group is increasingly dependent on a variety of information systems, including SAP (ERP), Somfoni (P2P System), Kronos (Workforce Management), Anaplan (Budget and Forecasting) and Foodics (PoS). These information technology systems may be susceptible to damage, disruptions or shutdowns due to failures during the process of upgrading or replacing software, databases or components, power outages, hardware failures, computer viruses, attacks by computer hackers, telecommunication failures, user errors or catastrophic events. Any material disruption of the Group's systems, or the systems of its third-party service providers, could disrupt the Group's ability to engage in normal business activities. Although the Group has implemented certain network security measures, its information technology systems and servers are potentially vulnerable to interruptions, including damage and interruption from power loss or natural disasters, computer system and network failures, loss of telecommunications services, physical and electronic loss of data, security breaches, computer viruses, cyberattacks, hackers, unauthorised access attempts, and other security issues.

The Group has adopted internal guidelines and procedures for the protection of data and prevention of cyber security incidents. Nevertheless, efforts undertaken by the Group may not always be sufficient or effective. The occurrence of any of these events could result in interruptions, delays, the loss or corruption of data or the unavailability of systems, as well as the theft or exposure of potentially sensitive information about the Group, which could have a material adverse effect on the Group's reputation, business, financial condition, results of operations and prospects.

1.14 The Group maintains ongoing business relationships with several related parties, entering into related party transactions in the ordinary course of its business.

The Group maintains ongoing business relationships with several related parties, including the Selling Shareholder and parties under the common control of the Selling Shareholder. For further details see "*Related Party Transactions*".

The entry by the Group into related party transactions are regulated by applicable laws and regulations. As at the date of this Prospectus, Management believes all related party transactions have been entered into by the Group in accordance with applicable laws and regulations. To the extent that the Group enters into contracts with any related parties which are not on arm's-length terms and / or in the event such transactions transfer undue benefits to related parties of the Group, this could adversely affect the Group's costs and net revenues which would, in turn, adversely and materially affect the Group's business, results of operations, financial condition and prospects.

The Group's future success is also dependent on the continuation of its business relationships with its related parties and the expiry or termination of any material related party contract, in particular the Intercompany Services Agreement, or relationship would adversely and materially affect the Group's business, results of operations, financial condition and prospects. There can be no guarantee that the

Group will be able to renew its contracts with such related parties. If any of the related parties do not renew the agreements entered into with the Group, or renews these agreements but under conditions that are not in line with the Group's objectives, this would adversely and materially affect the Group's business, results of operations, financial condition and prospects.

1.15 The Group is reliant on its senior management and key personnel and the Group's ability to attract and retain qualified management and specialist staff is critical to its success and growth.

The Group's success depends upon the continued service and performance of its senior management and other key personnel, as well as its ability to identify, hire, develop, motivate and retain qualified personnel in the future. The Group relies on a number of key individuals in its senior management team including its Chief Executive Officer, Chief Financial Officer, Chief Operating Officer and Chief People Officer, who have valuable experience within the food services and support services industries and who have made substantial contributions to the development of the Group's operations and expansion. Competition for senior management and key employees in the industry is intense, and the Group cannot guarantee that it will be able to retain its personnel or attract new, suitably qualified personnel. In addition, the current Group CFO, Andrew Marshall, is due to resign from the Group in November 2024, after which he will be succeeded by the Deputy CFO, Anthony Childers.

The Group may need to invest significant financial and human resources to attract and retain new members of senior management members and key employees. Each member of senior management, as well as key employees, may resign at any time. The loss of the services of members of the Group's senior management or key employees could prevent or delay the implementation and completion of its strategic objectives, divert management's attention to seeking qualified replacements or otherwise adversely affect the Group's ability to manage its business effectively. If the Company loses the ability to hire and retain key senior management and employees with high levels of skills in appropriate domains, this would materially and adversely affect the Group's business, results of operations, financial condition and prospects.

1.16 A failure by the Group to provide a high quality of service and maintain its reputation, or to prevent real or perceived quality issues in the delivery of the Group's services, may prevent the Group from attracting and retaining clients.

The Group's business is susceptible to concerns, both real and perceived, arising from problems with food quality and the quality of the support services the Group provides, such as incidences of food-borne illnesses, allergic reactions, use of improper cleaning products, failure of the Group's workforce to wear appropriate PPE, and other negative food or health and safety related incidents. In the event concerns are raised regarding the quality of the services delivered by the Group, in particular regarding the safety of the food served by the Group, the Group may suffer reputational damage, clients may seek to terminate their contracts with the Group, reduce the level of services they obtain from the Group and switch to using the Group's competitors, even if the basis for the concern is perceived as opposed to actual and / or is outside of the Group's control. The Group's Central Production Facilities or on-site kitchens may be subject to health and safety issues and the operational controls and employee training may not be effective in preventing foodborne illnesses, food tampering and other food safety incidents. Incidents related to food safety and the quality of the services provided by the Group may result in liability claims, negative publicity or fines from authorities such as the Dubai Municipality and the Abu Dhabi Agriculture and Food Safety Authority. Adverse publicity about these concerns, whether or not ultimately based on factual assertions, could discourage clients from obtaining services from the Group and have a material and adverse effect on the Group's business, results of operations, financial condition and prospects.

1.17 The Group is subject to risks relating to misconduct and error by its workforce.

Employee misconduct or error could lead to the Group suffering reputational damage, being in breach of its contractual obligations or being in violation of applicable laws and regulations, which could result in regulatory sanctions being imposed on the Group by the competent regulatory authorities. Such sanctions would vary depending on the misconduct or error and may result in significant financial liability to the Group and/or cause serious damage to its reputation. Such misconduct or error may be non-compliant with applicable laws or internal policies, procedures and controls, including:

- engagement in misrepresentation or fraudulent, deceptive or improper activities while marketing the Group's services to current or potential clients;
- action or inaction by the Group's employees;
- breach of food safety policies, procedures and controls;
- claims by the Group's clients relating to the misuse of the clients' property;
- culturally insensitive behaviour that does not take into account local customs; and
- breach of security policies and procedures implemented by the Group's clients.

The Group may also become the subject of litigation or disputes for the harm or other adverse effects caused by misconduct or error by its workforce (see *"—The Group is involved in ongoing disputes and legal proceedings, and may become involved in further disputes and legal proceedings in future, that may divert management time and resources and, if determined unfavourably towards the Group, may adversely impact the Group's business, results of operations, financial condition and prospects*"). If employees commit any misconduct or errors, it could have a material adverse effect on the Group's business, financial position, results of operations and prospects.

1.18 Any disruption to the operation of the Group's facilities, for short or extended periods of time, may significantly impact the Group's ability to provide its services.

As at the date of this Prospectus, the Group operates two central production facilities (the "**Central Production Facilities**"), one in Abu Dhabi and a second in Dubai, that cumulatively produce approximately 19,000 meals a day, as at the date of this Prospectus. In the event that there is any unexpected or prolonged disruption to the operation of the Group's Central Production Facilities, for example due to a disruption in the supply of utilities, such as water or electricity, or access to the premises, in the event of a fire, or high levels of staff absenteeism, and the Group cannot restore the affected facilities, or to relocate to another suitable location promptly with well-equipped facilities, or find suitably qualified and skilled staff to operate the facilities, the Group's business operations will be materially and adversely interrupted, which, in turn, could have a material adverse effect on the Group's business, financial position, results of operations and prospects.

In particular, due to the fragile and perishable nature of the products the Group works with, if the Group incurs any material equipment breakdown, such as the failure of equipment for temperature or humidity control, the quality of the products used by the Group in the preparation of meals at its Central Production Facilities may be compromised and the Group may have to discard products and absorb the relevant costs. For example, a failure of chiller equipment for even a short period of time could result in the rapid deterioration of chilled products, such as fresh meat and fish. In addition, repairing or adding equipment and machinery in the relevant production facility may be expensive and time consuming. Any of the foregoing could have a material and adverse effect on the Group's business, results of operations, financial condition and prospects.

1.19 The Group's success and ability to achieve its financial and operational targets largely depends on its ability to develop and execute an effective business strategy. If the Group is unable to successfully establish and deliver on its strategy, its business, results of operations, financial condition and prospects may be materially adversely affected.

The Group's strategy objectives include implementing new sales and retention initiatives, further developing its sectorisation strategy, implementing horizontal integration and adjacent expansion, expansion through inorganic growth and capturing the growth opportunity in the KSA (see "*Business Description —Strategy*"). However, there can be no assurances that the Group will be successful in implementing its strategy or achieving all of its strategy objectives and financial and operational targets, in addition to continuing to successfully deliver services that are well-received by its clients. In the event the Group is unable to successfully implement its strategy, achieve all of its strategy objectives and financial and operational targets or successfully deliver services that are well-received by its clients, the Group's business, results of operations, financial condition and prospects may be materially adversely affected.

The successful implementation of the Group's strategy objectives will depend on several factors including, but not limited to:

- the Group's ability to hire, train and retain skilled and reliable employees;
- the Group's ability to attract and retain clients for its services in the UAE and the KSA;
- favourable economic, regulatory and market conditions, which are outside of the Group's control;
- the Group's ability to negotiate and obtain acceptable contract terms from its suppliers, including its ability to negotiate with suppliers and secure terms that are acceptable and / or similar to those with its Key Suppliers;
- the Group's ability to build and maintain strong relationships with government authorities;
- the competition that the Group faces from incumbent and new players in its market; and
- the Group's ability to monitor its operations, controlling costs and maintaining effective quality and service controls.

Accordingly, the Group's operations may be materially adversely affected if any of these factors significantly delay, prevent or hinder the Group achieving any of its strategy objectives, which in turn could adversely affect the Group's business, results of operations, financial condition and prospects.

1.20 A failure to respond successfully to industry developments, including technological developments, industry trends and changes to the business models deployed in the Group's industry, may materially adversely impact the Group's business, results of operations, financial condition and prospects.

In recent years, the food services and support services market has been characterised by rapid technological developments, frequent launches of new services, changes in client needs and preferences and evolving industry standards. For example, cloud kitchens and increasing investment in PoS technologies, all of which require the Group to keep pace with technological developments, change its service offerings and business models and adopt new technologies to, among other things, increase cost efficiency and adapt to client preferences.

There can be no assurances that the Group will be able to adapt to technological and industrial developments. Moreover, there can be no assurances the Group's competitors will not be able to adapt to technological and industry developments faster or more effectively than the Group. In the event the Group fails to respond successfully and in a timely manner to technological or industry developments, it could damage the Group's brand, result in a loss of clients and / or a reduction in the levels of services clients require from the Group, and/or result in inefficiencies in the Group's operations, any of which would materially adversely affect the Group's business, results of operations, financial condition and prospects.

1.21 The Group may not be fully insured against all potential hazards and risks incidental to its business and its insurance coverage may not adequately cover its losses.

The Group maintains insurance policies, including policies covering general public and product liability, property damage and business interruption, non-damage business interruption, cybersecurity, directors and officers liability, professional indemnity, fidelity guarantee, workmen's compensation and employer liability, airside liability and group life insurance. Insurance coverage may not be adequate at all times and in all circumstances, and the limit of insurance coverage may not be sufficient in all events to pay for the claims relating to the insured risks. The Group may not be able to successfully substantiate its claims according to the insurance policies in effect because of the exclusions or conditions of insurance coverage. This will cause the Group to be liable for paying for accident-related losses, which could materially adversely affect the Group's business, results of operations, financial condition and prospects.

Events may occur in the future for which the Group may not have adequate insurance coverage or which may be excluded entirely. In addition, the Group's present insurance policies contain coverage exclusions or limitations, such as losses arising directly, or indirectly, out of (i) fines, penalties, punitive and exemplary damages; (ii) political risk and war; (iii) communicable diseases; and (iv) consequential losses. Current insurance policies may also be unavailable in the future or may only be available at increased costs to the Group. Accordingly, the losses and liabilities resulting from entirely uninsured or insufficiently insured risks could significantly increase the Company's costs, which could materially adversely affect the Group's business, results of operations, financial condition and prospects.

1.22 The Group is involved in ongoing disputes and legal proceedings, and may become involved in further disputes and legal proceedings in future, that may divert management time and resources and, if determined unfavourably towards the Group, may adversely impact the Group's business, results of operations, financial condition and prospects.

Entities within the Group are involved in legal disputes (see "*Business Description —Litigation*") and entities within the Group and / or its directors and officers may become involved in further legal and regulatory disputes, proceedings and actions with third parties including suppliers, employees, competitors, clients, owners of lands leased to the Group and regulatory and governmental authorities. The Group may be the claimant or defendants in any such disputes, proceedings or actions.

An outcome that is unfavourable to the Group in any legal disputes or regulatory proceedings could have a material adverse effect on the Group's business, financial condition, results of operations and prospects. In addition, regardless of the outcome of any litigation or regulatory proceedings, these proceedings could result in substantial costs and reputational damage to the Group and may require the Group to devote substantial resources to pursue or defend these claims, which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

1.23 The Group may need to raise additional equity or financing in the future.

The Group depends on cash flow from its operations to fund its business and execute its growth strategy. From time to time, after completion of the Offering, the Group may be required to seek additional equity or financing in order to fund its capital expenditure or to provide additional working capital for its business or growth strategy.

In addition, a change in economic conditions or market conditions requiring a shift in the Group's business model could result in the need for additional equity or financing. The Group cannot predict the timing or amount of any such capital requirements or the ability to take any such actions on a timely basis, on terms satisfactory to the Group or at all. If financing is not available to the Group on satisfactory terms, or at all, the Group may be unable to operate or expand its business or successfully pursue its growth strategy, which could have a material adverse effect on the Group's results of operations.

1.24 The Group is exposed to risks relating to the outbreak of an infectious disease or other serious public health concerns, including a resurgence of the global spread of COVID-19.

Future epidemics and pandemics, and government responses to such epidemics and pandemics, could restrict the Group's operations. For example, the outbreak of the COVID-19 pandemic, and measures implemented by the UAE and KSA Governments to reduce the spread of the COVID-19 pandemic, had a substantial impact on the Group's operations across the UAE and the KSA. The Group was required to implement additional hygiene precautions in response to the COVID-19 pandemic, including sourcing additional accommodation facilities for quarantining and isolating members of staff, conducting weekly viral load testing and distributing face masks and other personal protective equipment ("**PPE**"). In addition, the Group saw an increase in staff absenteeism due to quarantining requirements.

There can be no certainty that jurisdictions in which the Group operates will not undergo future lockdowns in response to a resurgence of COVID-19 or other future epidemics or pandemics. In addition, the Group's operations may be impacted if the Group's key managerial personnel or a significant percentage of its workforce is unable to work due to illness, quarantine, limitations on travel or other government restrictions in connection with the COVID-19 or other future epidemics or pandemics, which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

2 RISKS RELATING TO POLITICAL, ECONOMIC AND SOCIAL ENVIRONMENT OF THE MENA REGION

2.1 General economic, financial and political conditions in the MENA region, including continued instability and unrest or the escalation of armed conflict, may adversely affect the Group's business, results of operations, financial condition and prospects.

General economic, financial, and political conditions in the MENA region, especially in the UAE and the KSA, could have a material adverse effect on the Group's business, results of operations, financial condition and prospects. An adverse change in the credit rating of the UAE or the KSA, declines in client confidence or client spending, significant inflationary or deflationary changes or disruptive regulatory or geopolitical events, including ongoing disruption to shipping channels in the Red Sea and the Bab al-Mandab Strait, could contribute to increased volatility and diminished expectations for the economy and markets, including the market for the Group's services, and lead to demand or cost pressures that could have a material adverse effect on the Group's business, results of operations, financial condition and prospects. The economy of the MENA region may be materially adversely affected by tightening global economic conditions and external shocks, including financial market volatility, trade disruptions and protectionist trade policies or threats thereof. In particular, a global shift in policies, including towards protectionism, with lower global growth due to reduced trade, migration and cross-border investment flows, could slow non-oil growth in the MENA region.

In addition, in the event of a significant geopolitical conflict or a macroeconomic downturn, demand for the Group's services may decrease, as clients seek to reduce their spending on outsourced services or cancel large-scale events they had planned to host in the UAE or the KSA. Similarly, political or economic upheavals in certain countries or markets could lead to a downturn in client demand for the Group's services. There can be no assurances that any escalation of geopolitical tension in the future will not create instability in macroeconomic and social conditions, which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects. The nature of these types of risks makes them unpredictable and difficult to plan for or otherwise mitigate, compounding their potential impact on the business, results of operations, financial condition and prospects of the Group.

2.2 The economies of the UAE and KSA could be significantly affected by volatility in international crude oil prices and their economies have in the past been, and are likely in the future to be, materially adversely affected by lengthy periods of low crude oil prices.

The economies of the UAE and the KSA are significantly impacted by international crude oil prices and are highly dependent upon hydrocarbon-related revenues. Crude oil prices have historically fluctuated in response to a variety of factors beyond the control of the Group, including (without limitation):

- economic and political developments both in oil-producing regions, particularly in the MENA region, and globally (see "*—General economic, financial and political conditions in the MENA region, including continued instability and unrest or the escalation of armed conflict, could have a material adverse impact on the Group's business and results of operations*"). For instance, global oil prices fell gradually in the first two months of 2020 before dropping sharply in March and April 2020, with the price of Brent oil falling below U.S.$16 per barrel in April 2020. This was primarily due to the impact of the COVID-19 outbreak on the global economy and the increase in supply. Furthermore, oil prices have been volatile since the Russian invasion of Ukraine, mainly due to the bans on buying Russian oil and the resulting demand on other countries (particularly in the MENA region) to increase supplies;
- global and regional supply and demand, and expectations regarding future supply and demand, for oil and gas products;
- the ability of the members of OPEC and OPEC+ to agree upon and maintain specified global production levels and prices, such as the production cut announced in October 2022;
- the impact of international environmental regulations designed to reduce carbon emissions, and
- global weather and environmental conditions; and prices, availability and trends relating to the

use of alternative fuels and technologies.

Many economic sectors within the UAE and the KSA remain in part dependent, directly or indirectly, on crude oil prices. As such, extended periods of low crude oil prices may have a negative impact across the economic landscape of the UAE and KSA. For example, the governments of the UAE and the KSA may decide to reduce government expenditures in light of the budgetary pressures caused by lower crude oil prices, which may, in turn, reduce fiscal spending on infrastructure and other projects that create revenue streams for both public and private entities. Local financial institutions may experience lower liquidity (if significant government and government-owned company deposits are withdrawn to fund deficits) or higher loan losses or impairments.

Any such fluctuations could have a material adverse effect on the economic, political and fiscal position of the UAE, and may consequently have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

2.3 Governments in the MENA region have exercised and continue to exercise significant influence over their respective economies and legal and regulatory systems, which may create an uncertain environment for investment and business activities.

Governments in the MENA region, including the governments of the UAE and KSA, have frequently intervened in the economic policies and legal and regulatory systems of their respective countries. This intervention has included, but not been limited to, regulation of market conditions, including foreign investment, foreign trade and the retail sector. Any unexpected changes in the political, social, economic or other conditions in the MENA region could have a material adverse effect on the business, prospects, results of operations, cash flows and financial condition of the Group.

These changes include, amongst others:

- an increase in inflation and government measures to curb such inflation, including through policies such as price controls;
- external acts of warfare and civil clashes;
- action or intervention by governments in the MENA region, including tariffs, protectionism, foreign exchange and currency controls and subsidies;
- regulatory, taxation and legal structure changes, including foreign ownership restrictions, cancellation of contractual rights, expropriation of assets and potential lack of certainty as to title to real estate property;
- difficulties and delays in obtaining new permits and consents for new operations or renewing existing permits;
- changes to the availability of, requirements for, and cost to secure, employment and residence visas for expatriate staff and their dependents;
- policies of nationalisation of assets and requirements to employ local national employees; and
- inability to repatriate profits and / or dividends.

Unexpected changes in these policies or regulations could lead to increased operating or compliance expenses and could have the effect of decreasing the Group's competitiveness. Any such changes could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

2.4 A developing legal system and the introduction of new laws and regulations can create an uncertain or changed environment for investment and business activity, which may adversely impact the Group's business, results of operations, financial condition and prospects.

Emerging market economies, including the UAE and the KSA, are generally characterised by less comprehensive legal and regulatory environments than are found in more developed market economies. Such legal systems may create uncertainty with respect to the legal and business decisions that the Group makes and such uncertainties may not exist in countries with more developed market economies, for example:

- inconsistencies between and among the constitution, federal law, presidential, governmental and ministerial decrees, and conflicts between federal, regional and local legislation;
- lack of fully developed corporate and securities laws;
- lack of judicial and administrative guidance on interpreting legislation;
- gaps in the regulatory structure due to delay or absence of implementing legislation;
- the relative inexperience of judges and courts in interpreting legislation;
- lack of an independent judiciary;
- difficulty in enforcing court orders;
- a high degree of discretion on the part of governmental authorities, which could result in arbitrary actions such as suspension or termination of the Group's licences; and
- under-developed bankruptcy or insolvency procedures that are subject to abuse.

The rapid evolution of these legal systems in ways that may not always coincide with market developments can result in ambiguities, inconsistencies and anomalies in the law and judicial practice. These weaknesses affect the Group's ability to protect its rights under its licences and contracts, or to defend itself against claims by others, including challenges by regulatory and governmental authorities in relation to its compliance with applicable laws and regulations and could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

For example, changes were implemented to regulations governing end of service benefits available to non-GCC employees working in the UAE (excluding certain free zones) providing employees with the option to opt into a monthly contribution fund managed on behalf of employees, as opposed to receiving a lump-sum gratuity payment upon the termination of their employment. As a result, the Group may need to factor monthly payments into its ongoing cash flow requirements. The scheme is currently optional, but there remains the possibility it may become mandatory in future.

Furthermore, as these economies mature, and in part due to the desire of certain countries in the MENA region, including the UAE and the KSA, to accede to the World Trade Organisation, the governments of these countries have begun, and are expected to continue, to implement new laws and regulations that could impact the way the Group conducts its business. Changes in investment policies or in the prevailing political climate could result in the introduction of changes to government regulations with respect to:

- price controls;
- export and import controls;

- import regulations;
- income and other taxes;
- foreign ownership restrictions;
- competition laws and merger control regimes;
- foreign exchange and currency controls; and
- labour and welfare benefit policies.

There can be no assurances that the introduction of any changes to current laws or regulations, nor the introduction of any new laws or regulations, would not increase the costs or otherwise adversely affect the business, results of operations, financial condition and prospectus of the Group.

2.5 The Group may be exposed to a number of uncertainties relating to tax and zakat, which may adversely impact the Group's business, results of operations, financial condition and prospects.

The Group determines its tax liability based on its interpretation of applicable tax laws and regulations. The Group is also subject to tax audits by governmental authorities, which are inherently uncertain. Negative or unexpected results from one or more such tax audits could have an adverse effect on the business, results of operations, financial condition and prospectus of the Group. Tax controls and changes in tax laws or regulations (including retrospective changes) or the interpretation given to them may also expose the Group to negative tax consequences, including interest / profit payments and potential penalties, which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects. For example, from 1 June 2023 the Group became subject to the corporate income tax in the UAE pursuant to the Federal Tax Law, and it is unclear what federal corporate tax rate will apply to the Group. The Group may be subject to a 9% federal corporate income tax rate on adjusted accounting net profits above a threshold of AED 375,000 or a 15% federal corporate income tax rate, depending on how the UAE implements Pillar 2 of the OECD BEPS 2.0 framework (see "Taxation—UAE Federal-level Corporate Taxation"). The UAE Federal Tax Authority will be responsible for administering, collecting and enforcing corporate tax in line with rules and regulations to be issued by the Ministry of Finance. There can be no assurances that the compliance with the Federal Tax Law or other applicable tax regimes in other jurisdictions in which the Group operates will not increase its costs or otherwise have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

2.6 The Group is subject to certain legal requirements to maintain levels of localisation with respect to personnel, including the UAE's Emiratisation and the KSA's Saudisation initiatives, which may increase its costs and may reduce its ability to rationalise its workforce.

The UAE and the KSA each have laws and regulations in place which impose requirements to source a prescribed percentage of the Group's employees and personnel from UAE and KSA nationals, respectively (see "*Business Description —Workforce*").

In the UAE, the Selling Shareholder is the employer of record of the Group's workforce (see "*Business Description —Workforce*"). As a quasi-government entity, the Selling Shareholder is not currently subject to any Emiratisation quotas and therefore no Emiratisation quotas apply in respect of the Group's workforce. However, in the event the Group is no longer able to benefit from the support services provided by the Selling Shareholder in respect of supplying its workforce pursuant to the

Intercompany Services Agreement (see "—*Risks Relating To The Group's Business And Industry—The Group is reliant on the assistance and continued cooperation of the Selling Shareholder in certain areas of its operations, including when tendering for certain new contracts, as the counterparty of record in contracts for approximately half of its clients, and assisting with the procurement of work visas for its workforce*"), the Group may be required to employ its own workforce and may become subject to Emiratisation requirements, including quotas. The cost of employing UAE nationals is typically significantly higher than the cost of employing foreign workers and the Group may not be able to comply with any Emiratisation requirements applied to it, including quotas. In such cases, the Group may face penalties imposed by UAE governmental authorities, such as suspension of work visa requests, suspension of requests for transfer of sponsorship for non-UAE employees and exclusion from governmental tenders and governmental loans.

In the KSA, all companies operating in the KSA, including the Company's Saudi subsidiary, are obligated to employ and maintain a certain percentage of Saudi employees among their employees and certain senior management roles are required to be held by a Saudi employee, including Head of Human Resources and Head of Health, Safety, Environment and Quality. Such percentage varies based on the activity of each entity as set out under the "*Nitaqat*" programme. The Company's subsidiary in the KSA is currently compliant with the Saudisation requirements as at the date of this Prospectus and are classified under the 'Green' categories, according to the "*Nitaqat*" programme. However, the Group may not be able to continue to comply with the Saudisation and "*Nitaqat*" programme requirements. In such case, the Group will face penalties by the KSA's governmental authorities, such as suspension of work visa requests, suspension of requests for transfer of sponsorship for non-Saudi employees and exclusion from governmental tenders and governmental loans. The Group may not be able to recruit Saudi employees under favourable conditions, or at all, or maintain its current Saudi employees, which in turn would affect its ability to meet the required Saudisation percentage. There may be a significant increase in costs of salaries in the event that the Group hires a larger number of Saudi employees.

As a result, there can be no assurances that meeting and maintaining Emiratisation and Saudisation requirements will not have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

2.7 The Group's financial condition and results of operations may be materially adversely affected if the peg of the UAE dirham to the US dollar were to change.

The Group maintains its accounts, and reports its results, in UAE Dirhams, which is the functional currency of the Group. Although the UAE dirham has been pegged to the US dollar at a rate of AED 3.6725 to USD 1.00 since 1997, there can be no assurances that the UAE Central Bank will continue to maintain this fixed rate in the future, particularly if there continues to be increased demand for the US dollar. Any de-pegging or change to the USD/AED exchange rate could result in a devaluation of the UAE dirham and an increase in the costs that the Group pays for certain goods and services procured from outside of the UAE, or could cause its results of operations and financial condition to fluctuate due to further currency translation effects, any of which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

3 RISKS RELATING TO THE OFFER SHARES

3.1 The Selling Shareholder will retain a significant interest in, and exercise significant control over, the Group and its interests may differ from those of the other shareholders.

As at the date of this Prospectus, the Selling Shareholder holds 100% of the Shares and voting rights in the Company and, immediately following the Offering, the Selling Shareholder will continue to hold a significant majority of the Shares and voting rights in the Company. As a result, the Selling Shareholder possesses and shall continue to possess sufficient voting power to exercise control over all matters requiring shareholder approval, including the election or removal of directors, the declaration of dividends and other matters to be determined by the shareholders. In exercising its voting rights, the Selling Shareholder may be motivated by interests that are different from those of other shareholders.

The ownership level of the Selling Shareholder may have the effect of delaying, deferring or preventing a change of control, merger, consolidation, takeover or other business combination or discouraging a potential acquirer from making a tender offer or otherwise attempting to obtain control of the Company, which in turn could have a material adverse effect on the trading price of the Shares.

As a result of the above, the Selling Shareholder will be in a position to exercise a significant degree of control over the Company’s management and operations. The interests of the Selling Shareholder may not be aligned with those of other shareholders, which could have a material adverse effect on the trading price of the Shares.

3.2 The Company is a holding company and substantially all of its operations are conducted through its subsidiaries. The Company’s ability to pay dividends on the Shares depends on the ability of its operating subsidiaries to generate cash flows.

As a holding company, the Company does not have significant operations of its own. The Company currently conducts all of its operations through its subsidiaries, and such entities generate substantially all of its operating income and cash flow. Since the Company has no direct operations or significant assets other than the capital stock of these entities, the Company relies on those subsidiaries for cash dividends, investment income, financing proceeds and other cash flows and, in the long term, to pay other obligations at the holding company level that may arise. The ability of such entities to make payments to the Company depends largely on their financial condition and ability to generate cash flows. In addition, because the Company’s subsidiaries are separate and distinct legal entities, they will have no obligation to pay any dividends or to lend or advance funds to the Company and may be restricted from doing so by contract, including other financing arrangements, charter provisions, other shareholders or applicable laws and regulations of the various countries in which they operate. Similarly, because of the Company’s holding company structure, claims of the financiers of its subsidiaries, including trade creditors, banks and other financiers, effectively have priority over any claims that the Company may have with respect to the assets of these entities. Further, there can be no assurances that, in the long term, the Company’s subsidiaries will generate sufficient profits and cash flows, or otherwise prove willing, or able, to pay dividends or lend or advance sufficient funds to the Company to enable it to meet its obligations and pay interest/finance costs, expenses and dividends, if any, on the Shares.

The inability of one or more of the Company’s subsidiaries to pay dividends or lend or advance to funds to the Company, and currency control restrictions and restrictions on the repatriation of dividends imposed on the Company or its subsidiaries, may adversely affect not only the Company’s ability as a holding company to pay dividends, but also its business, results of operations, financial condition and prospects. Whilst the Company intends to pay dividends in respect of the Shares, there can be no assurances that it will do so. Any decision to declare and pay dividends in the future will be made at the discretion of the Company’s directors and will depend on, among other things, applicable laws and regulations, results of operations, financial condition, cash requirements, contractual restrictions, availability of distributable reserves, the Company's future projects and plans and other factors that the Company's directors may deem relevant. As a result, shareholders may not receive any return on an investment in the Shares unless they sell their Shares for a price greater than that what they paid for them (for further details, see "*Dividend Policy*").

3.3 Following the Offering, the price of the Shares on the ADX may differ from the Offer Price and could be materially adversely affected by several factors which are outside of the Group's control.

The market price of the Shares could be subject to significant fluctuations due to a change in market sentiment regarding the Shares or securities similar to them or in response to various facts and events, including any regulatory changes affecting the Group's operations, variations in its quarterly and / or yearly operating results and its business development or those of its competitors.

In addition, stock markets have, from time to time, experienced extreme price and volume volatility, which in addition to general economic and political conditions, could adversely affect the market price of the Shares. To optimise returns, investors may need to hold the Shares for a long-term period and they may not be suitable for short-term investment. The value of the Shares may go down as well as up and the market price of the Shares may not reflect the underlying value of the Group's business. In addition, the Company has applied for the Shares to be listed on the ADX. No assurance, however, can be given that an active trading market in the Shares will develop upon or following Listing. If an active trading market is not developed or maintained, the liquidity and trading price of the Shares could be materially adversely affected.

3.4 Future issuances of Shares by the Company and / or sales of Shares by the Selling Shareholder may dilute the holdings of shareholders and / or may depress the price of the Shares.

The Company may decide to issue and offer additional Shares in the future or securities convertible into Shares, including in the form of stock-based compensation. As a result, shareholders may suffer dilution to their holding and voting rights. In addition, if the Company carries out a further issuance of Shares, shareholders may suffer a dilution in percentage ownership if they did not participate or were not eligible to participate in such further issuances.

Furthermore, if the Selling Shareholder (or any other significant shareholder) sells substantial amounts of Shares in the public market, the market price of the Shares could fall. The Selling Shareholder has agreed in the Underwriting Agreement to certain restrictions on its ability to sell, transfer and otherwise deal in its Shares for a period of 180 calendar days from the Closing Date, except in certain limited circumstances, unless otherwise consented to by the Joint Global Coordinators. Nevertheless, the Company is unable to predict whether substantial amounts of Shares (in addition to those which will be available in the Offering) will be sold in the open market following the completion of the Offering. Any sales of substantial amounts of Shares in the public market, or the perception that such sales might occur, could materially and adversely affect the market price of the Shares.

3.5 If research analysts publish adverse research reports or cease to publish research reports about the Group, or if the Shares or the Group's sector were to be downgraded, the Share price and trading volume of the Shares could decline.

The trading market for the Shares will be influenced by, among other things, the research and reports that industry or securities analysts publish about the Company, its business, its markets, and its competitors. If any of the analysts who cover the Company at that time issue an adverse opinion regarding its Shares, the price of the Shares would likely decline. If one or more of these analysts cease coverage of the Company or fail to publish reports on it regularly, the Company could lose visibility in the financial markets, which in turn could cause its share price or trading volume to decline.

3.6 It may be difficult for shareholders to enforce judgments against the Company in the UAE, or against its directors and senior management.

The Company is a public company incorporated in the ADGM. All of its directors and all of its officers reside outside the UK, the U.S. and the EEA. In addition, its material assets and the majority of the assets of the directors and its senior management are located outside the UK, the U.S. and the EEA. As a result, it may not be possible for investors to effect service of process outside the UAE upon the Company or its directors and its senior management or to enforce judgments obtained against them in courts outside the UAE, including judgments predicated upon the civil liability provisions of the securities laws of the UK, the U.S. or the EEA.

3.7 Prior to the Offering, there was no existing market for trading in the Shares. In addition, the ADX is significantly smaller in size than other established securities markets, which may also affect liquidity in the Shares.

Prior to the Offering, there has been no public market for the Shares. There can be no assurances that an active trading market will develop or be sustained following the completion of the Offering, or that the market price of the Shares will not decline thereafter below the Offer Price. The trading price of the Shares may be subject to wide fluctuations in response to many factors, as well as stock market fluctuations and general economic conditions or changes in political sentiment that may adversely affect the market price of the Shares, regardless of the Company's actual performance or conditions in the UAE. Factors such as variation of financial results, general circumstances, general economic conditions, the regulatory environment within which the Group operates and other factors that are beyond the Group's control could cause significant volatility in the trading liquidity and the price of the Shares in the market. The Company has applied for the Shares to be listed on the ADX. The ADX has been open for trading securities since September 2000, but its future success and liquidity in the market for the Shares cannot be guaranteed. The ADX is substantially smaller in size and trading volume than other established securities markets, such as those in the USA and the UK. Brokerage commissions and other transaction costs on the ADX are generally higher than those in Western European countries. These factors could generally decrease the liquidity and increase the volatility of the Shares and impair the ability of a holder of Shares to sell any Shares on the ADX in the desired amount and at the price and time achievable in more liquid markets and adversely affect the value and trading price of the Shares.

3.8 The Offering may not result in an active or liquid market for the Shares, and trading prices of the Shares may be volatile and may decline.

The Offer Price may not be indicative of the price at which the Shares will be traded on the ADX following completion of the Offering. Investors may not be able to resell their Shares at or above the Offer Price or may not be able to sell them at all. The price of shares on the ADX following the Offering may be materially adversely affected by several factors, including the following:

- negative fluctuations in the operating performance of the Group;
- improved performance of the Group's competitors;

- actual or anticipated fluctuations in the Group's quarterly or yearly operating results;
- securities analysts publishing research reports about the Group, its competitors or the retail sector;
- public reaction to the Group's press statements and other public announcements;
- the performance of the Group or that of its competitors being contrary to analysts' expectations;
- resignation of key employees;
- important and strategic decisions taken by the Group or its competitors;
- changes to the Group's business strategy;
- changes to the regulatory environment affecting the Group or the retail sector; and
- changes in accounting regulations and policies adopted by the Group.

3.9 Holders of the Shares in certain jurisdictions outside of the UAE may not be able to exercise their pre-emptive rights if the Company increases its share capital.

Under the Company's Articles of Association to be adopted in connection with the Offering, holders of the Shares generally have the right to subscribe and pay for a sufficient number of the Company's ordinary shares to maintain their relative ownership percentages prior to the issuance of any new ordinary shares in exchange for cash consideration. U.S. holders of the Shares may not be able to exercise their pre-emptive rights unless a registration statement under the Securities Act is effective with respect to such rights and the related ordinary shares or an exemption from the registration requirements of the Securities Act is available. Similar restrictions exist in certain other jurisdictions outside the UAE. The Company currently does not intend to register the Shares under the Securities Act or the laws of any other jurisdiction, and no assurances can be given that an exemption from such registration requirements will be available to enable U.S. or other holders of the Shares to exercise their pre-emptive rights or, if available, that the Company will utilise such exemption. To the extent that the U.S. or other holders of the Shares are not able to exercise their pre-emptive rights, the pre-emptive rights would lapse and the proportional interests of such U.S. or other holders would be reduced.

UAE Taxation

The following comments are general in character and are based on the current tax regimes applicable in the UAE and the current practice of the UAE authorities as at the date of this Prospectus. The comments do not purport to be a comprehensive analysis of all the tax consequences applicable to all types of shareholders and do not relate to any taxation regime outside the UAE. Each shareholder is responsible for its own tax position and, if you are in any doubt as to your own tax position, you should seek independent professional advice without delay. The tax regime may be subject to changes in the future and therefore it is important to regularly monitory key developments that might affect the Company and/or its Prospective Investors.

UAE Emirate-level Corporate Taxation

Historically, most of the individual Emirates have enacted their own corporate tax decrees. Whilst in theory these decrees could potentially levy corporate tax on all companies in the relevant Emirate, in practice, corporate tax was only applied to certain companies operating in the upstream oil and gas industry and to mainland branches of foreign banks in the UAE on their net income. Therefore, the Company should in principle continue to be subject to the Emirate-level corporate tax regime. In practice, however, the Company is not currently paying any Emirate-level corporate tax and not required to make any Emirate level corporate tax filings.

Overview of the UAE Federal-level Corporate Taxation

The Federal Decree-Law No. (47) of 2022 on the Taxation of Corporations and Businesses (the "**Corporate Tax Law**") introduced corporate tax on juridical persons with a permanent establishment or nexus in the UAE or deriving UAE sourced income, including corporations, partnerships, foundations, non-resident entities and natural persons engaged in a business or business activity from 25 October 2022; effective for businesses for tax periods commencing on or after 1 June 2023.

This Corporate Tax Law is as yet untested, and the Ministry of Finance (the "**MoF**") and the Federal Tax Authority (the "**FTA**") continues to issue and publish guidance and ~~for~~ provide further details and clarifications on various tax matters. Consequently, the applicability of the Corporate Tax Law to the Company will evolve over a period of time.

Corporate Tax Rates

The corporate tax rate is set at 0% for taxable income up to AED 375,000, and 9% for taxable income that exceeds AED 375,000.

In line with the OECD's Base Erosion and Profit Shifting ("**BEPS**") Pillar 2 framework, Federal Decree-Law No. 60 of 2023 was recently issued, amending the Corporate Tax Law, and introducing a top-up tax, such that the effective tax rate for large multinational enterprises is 15%. The legislation governing the mechanics of this is yet to be issued and the top-up tax is yet to be implemented, however, the OECD's BEPS Pillar 2 framework proposes that this applies to entities that are part of large multinational enterprises with global consolidated revenues in excess of EUR 750,000,000 equivalent to approximately AED 3 billion. It should be noted that this may impact the application of the zero rate for Qualifying Free Zone entities that fall within the Pillar 2 rules. The UAE is expected to enact Pillar 2 from 2025.

Taxable income

Taxable resident juridical persons will be subject to corporate tax on their worldwide income, whereas taxable non-resident juridical persons will be subject to corporate tax on the income attributable to their permanent establishment or nexus in the UAE. Natural persons will be subject to corporate tax on the worldwide income generated from the business or business activities conducted in the UAE.

Corporate tax is payable on taxable income, which is the accounting net profit reported in the financial statements of the business with certain adjustments made per the provisions of the Corporate Tax Law and related Cabinet and/or Ministerial Decisions.

No deductions are available when calculating taxable income for the following items, among others:

- expenditure not incurred for the purpose of the taxable person's business;
- losses not connected with, or arising out of, the taxable person's business;
- net interest / finance expense which exceeds the higher of: (i) 30% of tax adjusted EBITDA, or (ii) AED 12,000,000 (subject to certain additional requirements);
- penalties, bribes or other illicit payments;
- dividends or other profit distributions;
- corporate tax imposed under the Corporate Tax Law, tax imposed on the taxable person outside the UAE and recoverable VAT;
- donations paid to organisations that are not a Qualifying Public Benefit Entity (as defined under Article 9 of the Corporate Tax Law);
- 50% of expenditure incurred by the taxable person on the entertainment of customers, shareholders, suppliers or other business partners;
- adjustment for transactions with related parties that are not on arm's length;
- such other expenditure as may be specified in a decision issued by the cabinet; and
- expenditure incurred in deriving Exempt Income ("**Exempt Income**" is defined as: (i) dividends and other profit distributions paid by UAE resident juridical person; (ii) dividends and other profit distributions received from a foreign participation that is not a resident person and local/foreign capital gains or losses on the transfer, sale or other disposition of participating interest (or part thereof) subject to complying with the participation exemption rules; (iii) income of a foreign permanent establishment where an election under Article 24 of the Corporate Tax Law has been made; and (iv) income derived by a non-resident person from operating aircraft or ships in international transportation that meets certain conditions.)

For the purposes of determining taxable income, the Company has an option to make an election for various tax matters (e.g. forming a tax group, taxation on realization basis etc.) subject to meeting prescribed conditions.

Free Zone Persons

The Corporate Tax Law provides for a specific regime for "**Qualifying Free Zone Persons**", being persons incorporated, established or otherwise registered in one of the UAE's free zones, including a branch of a non-resident person registered in a free zone, ("**Free Zone Persons**"), meeting all of the following criteria:

- it maintains adequate substance in the free zone;
- its income is derived from transactions with other Free Zone Persons, except for income

derived from "**Excluded Activities**" (as defined in Ministerial Decision No. 265 of 2023 Regarding Qualifying Activities and Excluded Activities). The other Free Zone Persons must be the beneficial recipients of a transaction where that other Free Zone Person has the right to use and enjoy the supply by the Qualifying Free Zone Person without being under a legal or contractual obligation to pass on the services or goods supplied to another person; or income derived from transactions with a non-Free Zone Person, but only in respect of qualifying activities that are not Excluded Activities; or income derived from the ownership or exploitation of Qualifying Intellectual Property (as defined in Cabinet Decision No. 100 of 2023); or any other income provided that the Qualifying Free Zone Person satisfies the "de minimis" requirements of the Corporate Tax Law ("**Qualifying Income**"). Qualifying Income cannot include income attributable to a foreign permanent establishment or a domestic permanent establishment or income attributable to the ownership or exploitation of immovable property (except in the case of transactions with Free Zone Persons involving commercial property located in a free zone) or revenue derived from the ownership or exploitation of intellectual property, except for revenue related to Qualifying Intellectual Property.

- it has not elected to be subject to corporate tax;
- it has complied with the arms-length principle and transfer pricing documentation requirements of the Corporate Tax Law;
- it does not fail the "de minimis test" defined in the Cabinet Decision No. 100 of 2023;
- it prepares audited financial statements in accordance with Ministerial Decision No.82 of 2023; and
- it has complied with any other conditions set by the Minister of Finance.

A Free Zone Person who fails to satisfy any of the above criteria will be subject to a corporate tax rate of 9% for each year in which it fails to meet the above criteria and for a further four years following a year that it fails to qualify. As per the FAQs issued by the FTA, a Free Zone Person that is not a Qualifying Free Zone Person will be able to benefit from the AED 375,000 zero tax band. The corporate tax FAQs published by the MoF and FTA specify that Qualifying Free Zone entities that are part of a large multinational group are expected to be subject to the Pillar 2 global minimum tax, once implemented.

Withholding Tax

Under the Corporate Tax Law, withholding tax applies to certain categories of UAE-sourced income paid to non-residents that is not attributable to a permanent establishment of the non-resident in the UAE. The categories of income subject to withholding tax have not yet been issued. Consequently, UAE businesses will not be required to make deductions from the payments made to non-resident recipients, nor will there be an obligation to file withholding tax returns. As per the FAQs issued by the FTA, the withholding tax does not apply to transactions between UAE resident persons.

The Corporate Tax Law includes provisions which specifically allow the UAE Cabinet of Ministers to change the withholding tax rate. The Corporate Tax Law also specifies that a Cabinet decision will be issued which will detail the categories of income which will be subject to withholding taxes. The UAE Cabinet of Ministers decisions have not yet been issued in relation to Withholding Tax.

Transfer Pricing

Under the Corporate Tax Law, transactions carried out between related parties and connected parties should be priced in line with the arm's length principle. The arm's length principle is met where the transaction or agreement is consistent with the results that would have been realised where unrelated parties had engaged in a similar transaction or agreement under similar circumstances.

The arm's length principle should be supported by a functional, assets and risk analysis which is intended to be aligned with the OECD Transfer Pricing Guidelines as clarified by the Transfer Pricing Guide (CTGTP1) issued by the FTA.

Taxpayers whose revenues satisfy/exceed set thresholds are required to maintain certain transfer pricing documentation as prescribed under the Corporate Tax Law and Ministerial Decision No. 97 of 2023 issued.

Value Added Tax

VAT was introduced in the UAE on 1 January 2018, pursuant to Federal Decree Law No. (8) of 2017 on VAT and its Executive Regulations. The standard VAT rate is 5% and applies to most goods and services, with some goods and services subject to a 0% rate or an exemption from VAT (subject to specific conditions being met).

A VAT exemption applies to certain financial services. The sale of shares is VAT exempt pursuant to Article 42 of the UAE VAT Executive Regulations. Sales of shares to non-UAE residents can be zero-rated, subject to certain conditions. The Company may request a declaration from non-UAE resident investors to confirm that the zero-rating provisions are met.

It should be noted that fees relating to the transfer of ownership of shares would be subject to VAT at the standard rate of 5%. Certain fees may be subject to VAT at 0% where the buyer is non-resident, and the relevant zero-rated export conditions are met.

Dividend income received by merely holding shares in a company does not constitute consideration for a supply. Therefore, passively earned dividend income should be outside the scope of UAE VAT.

Businesses that do not comply with their VAT obligations can be subject to fines and penalties. There are both fixed and percentage-based penalties. The FTA may offset unclaimed VAT credits against taxpayer liabilities, including outstanding penalty amounts.

UAE Taxation Considerations for Prospective Investors

As of the date of this Prospectus, there is currently no Emirate-level personal income tax levied on individuals in the UAE. Non-UAE tax residents, or dual tax residents, individuals and corporations may be subject to taxation in jurisdictions outside the UAE with respect to the ownership of, or income derived in connection with, the Offering based on local tax regulations in their respective jurisdictions.

Individuals who conduct a business or business activity in the UAE will be subject to corporate tax. Businesses or business activities conducted by a resident person or non-resident person shall be subject to corporate tax only where the total turnover derived from such businesses or business activities exceeds AED 1 million within a calendar year. Certain types of income generated by individuals, including wages, investment income, real estate investment income (each as defined under Cabinet Decision No. 49 of 2023) are not taxable subject to meeting prescribed conditions.

Taxation on purchase of shares

Completion of the Offering is likely to be characterised for UAE tax purposes as a purchase of shares by the investor. If an investor is tax resident outside the UAE and/or is subject to tax in another jurisdiction, the Offering may be characterised differently and may be subject to tax in that other tax jurisdiction.

There are no transfer taxes in the UAE in relation to the purchase of shares. Accordingly, a purchase of Shares should not result in any UAE tax liabilities for investors who are individuals or corporations that are tax resident in the UAE. Non-UAE tax residents, or dual tax resident individuals and corporations, may be subject to taxation in jurisdictions outside the UAE with respect to the ownership of, or income derived in connection with, the Shares based on local tax regulations in their respective jurisdictions.

From a VAT perspective, the purchase of shares is considered an exempt supply for the purposes of VAT unless a zero-rate provision applies pursuant to Article 42 of the UAE VAT Executive Regulations. Under the UAE VAT legislation, no VAT should be payable in respect to the acquisition or sale of Shares. However, it should be noted that fees relating to the transfer of ownership of shares would be subject to VAT at the standard rate of 5% (see "—*Value Added Tax*").

Investors should seek advice in relation to the impact of VAT in relation to their acquisition of Shares.

Taxation of dividends and capital gains on sale of shares

UAE tax resident and non-resident individual shareholders

Pursuant to the Corporate Tax Law, a purchase of shares and any related dividend income, or gains on sale of shares, should not result in any UAE tax liabilities for UAE tax resident or non-resident natural persons so long as it qualifies as a "personal investment". Under UAE Cabinet decision No 49 of 2023 a "personal investment" is defined as investment activity that a natural person conducts for their personal account that is neither conducted through a licence or requiring a licence from a licensing authority in the UAE, nor considered as a commercial business in accordance with the UAE Federal Decree-Law No 50 of 2022, Commercial Transactions Law.

Therefore, individuals purchasing the shares for their personal account (and without possessing or requiring a license to do so) should not be taxable on dividends or capital gains accrued from the Shares.

Non-UAE tax residents, or dual tax residents, may be subject to taxation in jurisdictions outside the UAE with respect to the ownership of, or income derived in connection with the Shares based on local tax regulations in their respective jurisdictions.

UAE tax resident corporate shareholders

Under the Corporate Tax Law, the purchase of Shares should not result in any UAE tax liabilities for corporations which are tax resident in the UAE. Similarly, dividends/profit distributions received from UAE resident juridical persons are exempt from tax.

Gains realised by UAE resident corporate investors in relation to the disposal of their investment will be subject to corporate tax at a rate of 9%. The participation exemption may exempt any gain arising where all of the following conditions are met:

- the ownership interest held by the investor represents at least 5% or the minimum historical acquisition costs of AED 4,000,000 is met;
- the investor holds the investment for a 12 month uninterrupted period (or has the intention to hold the investment for a 12 month period);
- the investment is subject to tax in its country or territory of residence at a rate that is not lower

than 9% (this condition is assumed to be met where the investment is either a Qualifying Free Zone Person or an Exempt Person);

- not more than 50% of the direct and indirect assets held by the underlying foreign subsidiaries / investments consist of ownership interests that would not have qualified for a participation exemption if held directly by the investment;
- the investor has a right to receive at least 5% of the profits and liquidation proceeds of the subsidiary; and
- any other conditions as may be prescribed by the Minister of Finance.

Where the participation exemption applies on the disposal of the investment, any expenditure incurred in relation to the acquisition, transfer or sale of the investment, will not be deductible.

Detailed guidance and regulations have been issued for each of the above conditions and should be carefully studied when determining if the conditions for availing the participation exemption have been met.

Non-UAE tax resident corporate shareholders

Non-UAE tax resident companies or dual tax resident corporations may be subject to taxation in jurisdictions outside the UAE with respect to the ownership of, or income derived in connection with, the Shares based on local tax regulations in their respective jurisdictions.

Under the Corporate Tax Law, dividends from resident juridical persons are exempt from tax. Where dividends from resident juridical persons are classed as state sourced income, the dividend income would be subject to withholding tax which is currently charged at 0%. Gains realized by non-UAE tax resident corporate investors or a non-UAE permanent establishment in relation to the disposal of their investment would represent UAE sourced income and therefore would be subject to tax under the Corporate Tax Law. This gain would be subject to withholding tax which is currently charged at 0% (see "—Withholding Tax").

It is important for corporate shareholders (both resident and non-resident) to assess the UAE tax impact on the capital gains arising from the disposal of the Shares on a case-by-case basis, and shareholders should consult with their tax advisors on this.

THE ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE OF IMPORTANCE TO A PARTICULAR INVESTOR. EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES OF AN INVESTMENT IN THE SHARES UNDER THE INVESTOR'S OWN CIRCUMSTANCES. THE COMMENTS DO NOT CONSTITUTE TAX ADVICE, DO NOT PURPORT TO BE A COMPREHENSIVE ANALYSIS OF ALL THE TAX CONSEQUENCES APPLICABLE TO THE SHAREHOLDERS AND DO NOT RELATE TO ANY TAX REGIME OUTSIDE THE UAE.

Third Section: Financial Disclosures

Summary of the Company’s Financial Statements and a Summary of Key Notes

The table below present the selected historical combined financial data of A D N H Catering – L.L.C – O.P.C (Abu Dhabi), A D N H Catering L.L.C (Dubai) and A D N H Compass L.L.C SP (Sharjah) derived from the Combined Annual Financial Statements; and the selected consolidated historical financial data of the Company and its subsidiaries derived from the Company Interim Financial Statements.

The information set out below should be read in conjunction with “*Presentation of Financial and Other Information*” and the Combined Annual Financial Statements and the Company Interim Financial Statements, including the related notes, included elsewhere in the Prospectus.

The following financial statements will be included in Annex 1 of this Prospectus:

- The audited combined financial statements of A D N H CATERING - L.L.C - O.P.C, A D N H Catering L.L.C, and A D N H Compass L.L.C SP for the financial years ended 30 September 2023 and 30 September 2022;
- The audited financial statements for the financial years ended 30 September 2023 and 30 September 2022 for A D N H CATERING - L.L.C - O.P.C.(Abu Dhabi);
- The audited financial statements for the financial years ended 30 September 2023 and 30 September 2022 for A D N H Catering L.L.C (Dubai);
- The audited financial statements for the financial years ended 30 September 2023 and 30 September 2022 of A D N H Compass L.L.C SP (Sharjah);
- The reviewed condensed consolidated interim financial information of the Company for the nine-month ended 30 June 2024; and
- The reviewed special purpose condensed combined interim financial information of A D N H CATERING - L.L.C - O.P.C, A D N H Catering L.L.C, and A D N H Compass L.L.C SP for the nine-months period ended 30 June 2024 (which include the unaudited and not reviewed comparative financial information for the nine-months period ended 30 June 2023).

Selected Unaudited Unreviewed pro forma statement of profit or loss

- The selected unaudited and unreviewed pro-forma statement of profit and loss of the Company for the nine-month period ended 30 June 2024.

1. Combined financial statements of Abu Dhabi National Hotels Company – Compass Middle East – LLC, Abu Dhabi National Hotels Compass Emirates (L.L.C) and A D N H Compass LLC for the financial years ended 30 September 2022 and 30 September 2023

A. Statement of combined financial position as at 30 September

	2023 AED	2022 AED
Assets		
Non-current assets		
Property, plant and equipment	**20,154,559**	19,544,925
Intangible assets	**285,534**	68,784
Right-of-use assets	**105,108,100**	85,826,442
Total non-current assets	**125,548,193**	105,440,151
Current assets		
Inventories	**13,232,529**	15,697,110
Trade and other receivables	**687,603,861**	681,945,227
Due from related parties	**1,723,248**	5,934,996
Cash and cash equivalents	**166,001,074**	317,877,422
Total current assets	**868,560,712**	1,021,454,755
Total assets	**994,108,905**	1,126,894,906
Equity and liabilities		
Equity		
Share capital	**20,450,000**	20,450,000
Statutory reserve	**10,225,000**	10,225,000
Retained earnings	**223,423,235**	240,308,446
Total equity	**254,098,235**	270,983,446
Liabilities		
Non-current liabilities		
Provision for employees' end of service benefits	**110,272,285**	117,518,032
Lease liabilities	**56,663,360**	46,570,108
Total non-current liabilities	**166,935,645**	164,088,140
Current liabilities		
Trade and other payables	**509,576,123**	638,530,987
Due to related parties	**23,966,902**	23,257,201
Lease liabilities	**39,532,000**	30,035,132
Total current liabilities	**573,075,025**	691,823,320
Total liabilities	**740,010,670**	855,911,460
Total equity and liabilities	**994,108,905**	1,126,894,906

B. Combined statement of profit or loss and other comprehensive income for the year ended 30 September

	2023 AED	2022 AED
Revenue	**1,817,493,159**	1,989,754,448
Cost of revenue	**(1,523,903,424)**	(1,674,007,388)
Gross profit	**293,589,735**	315,747,060
Administrative expenses	**(50,527,123)**	(76,298,964)
Impairment loss on trade receivables	**(17,576,077)**	(9,308)
Other income / expenses	**(1,941,979)**	2,195,106
Finance income	**2,783,853**	2,933
Finance costs	**(3,220,806)**	(1,644,014)
Profit for the year	**223,107,603**	239,992,813
Other comprehensive income	**-**	-
Total comprehensive income for the year	**223,107,603**	239,992,813

C. Combined statement of changes in equity for the year ended 30 September

	Share capital AED	Statutory reserve AED	Retained earnings AED	Total equity AED
Balance at 1 October 2021	20,450,000	10,225,000	262,848,607	293,523,607
Profit for the year	-	-	239,992,813	239,992,813
Dividends	-	-	(262,532,974)	(262,532,974)
Balance at 30 September 2022	20,450,000	10,225,000	240,308,446	270,983,446
Balance at 1 October 2022	**20,450,000**	**10,225,000**	**240,308,446**	**270,983,446**
Profit for the year	**-**	**-**	**223,107,603**	**223,107,603**
Dividends	**-**	**-**	**(239,992,814)**	**(239,992,814)**
Balance at 30 September 2023	**20,450,000**	**10,225,000**	**223,423,235**	**254,098,235**

D. Combined statement of cash flows for the year ended 30 September

	2023 AED	2022 AED
Cash flows from operating activities		
Profit for the year	**223,107,603**	239,992,813
Adjustments for:		
Depreciation of property, plant and equipment	**11,016,675**	9,743,018
Loss on disposal of property, plant and equipment	**1,207**	(1,672,090)
Amortisation of intangible assets	**72,800**	291,533
Depreciation of right-of-use assets	**43,183,013**	31,738,173
Impairment loss on trade receivables	**17,576,077**	9,308
Finance income	**(2,783,853)**	(2,933)
Provision for employees' end of service benefits	**23,163,874**	31,077,378
Finance cost	**3,220,806**	1,644,014
	318,558,202	312,821,214
Changes in:		
- Inventories	**2,464,581**	3,934,117
- Trade and other receivables	**(23,234,711)**	44,429,764
- Due from related parties	**4,053,254**	23,204,418
- Trade and other payables	**(126,223,119)**	6,027,239
- Due to relates parties	**33,422**	(21,950,366)
Cash generated from operations	**175,651,629**	368,466,386
Employees' end of service benefits paid	**(30,416,252)**	(32,982,714)
Net cash generated from operating activities	**145,235,377**	335,483,672
Cash flows from investing activities		
Acquisition of property, plant and equipment	**(13,534,852)**	(13,425,242)
Proceeds from sale of property, plant and equipment	**1,907,520**	2,858,720
Proceed from sale of other assets	**225,078**	-
Addition to Intangible assets	**(289,550)**	-
Interest received	**2,783,853**	2,933
Net cash used in investing activities	**(8,907,951)**	(10,563,589)
Cash flows used in financing activities		
Dividends paid	**(239,992,814)**	(262,532,974)
Principal payments related to lease liabilities	**(44,990,154)**	(41,218,415)
Interest payments related to lease liabilities	**(3,220,806)**	(1,644,014)
Net cash used in financing activities	**(288,203,774)**	(305,395,403)
Net increase in cash and cash equivalents	**(151,876,348)**	19,524,680
Cash and cash equivalents at 1 October	**317,877,422**	298,352,742
Cash and cash equivalents at 30 September	**166,001,074**	317,877,422

D. Combined statement of cash flows for the year ended 30 September (continued)

	2023 **AED**	2022 AED
Non-cash transactions:		
Transfers of property, plant and equipment *(net)*	-	79,166
Additions of right of use assets	**63,001,331**	88,289,573
Disposals of right of use assets	**41,012,491**	27,106,432
Net liabilities assumed by related parties	**6,631**	79,166
Transfer of employees' end of service benefits	**6,631**	-
Recognition of lease liabilities	**64,543,972**	82,897,440

2. Condensed consolidated interim financial information data as at and or the nine-month period ended 30 June 2024

A. Condensed consolidated interim statement of financial position

	As at	
	30 June 2024 AED	**30 September 2023 AED**
ASSETS		
Non-current assets		
Property and equipment	16,486,578	14,958,362
Right-of-use assets	77,895,920	86,656,545
Intangible assets	285,783,488	285,534
Investment in a joint venture	9,717,881	-
Total non-current assets	389,883,867	101,900,441
Current assets		
Inventories	9,846,723	6,819,045
Trade and other receivables	638,981,030	567,478,224
Due from related parties	5,117,405	27,041,715
Cash and bank balances	110,863,088	165,697,328
Total current assets	764,808,246	767,036,312
Total assets	1,154,692,113	868,936,753
EQUITY AND LIABILITIES		
EQUITY		
Share capital	225,000,000	-
Statutory reserve	10,000,000	10,000,000
Capital contribution	142,354,198	20,000,000
Other reserves	372,769	-
Retained earnings	101,866,752	212,421,946
Total equity	479,593,719	242,421,946
LIABILITIES		
Non-current liabilities		
Lease liabilities	32,851,093	47,584,568
Deferred tax liabilities	17,773,743	-
Provision for employees' end of service benefits	115,381,077	110,130,739
Total non-current liabilities	166,005,913	157,715,307
Current liabilities		
Trade and other payables	436,634,116	415,234,941
Income tax provision	10,909,927	-
Due to related parties	23,401,250	23,177,917
Lease liabilities	38,147,188	30,386,642
Total current liabilities	509,092,481	468,799,500
Total liabilities	675,098,394	626,514,807
Total equity and liabilities	1,154,692,113	868,936,753

B. Condensed consolidated interim statement of profit or loss

	Nine-month period ended 30 June	
	2024 AED	2023 AED
Revenues	1,041,896,559	1,096,756,790
Direct costs	(881,325,789)	(901,444,814)
Gross profit	160,570,770	195,311,976
General and administrative expenses	(50,734,435)	(55,357,839)
Reversal for impairment of financial assets	-	(7,074)
Other income, net	188,560	625,651
Operating profit	110,024,895	140,572,714
Finance income	2,862,956	1,213,049
Finance costs	(1,930,171)	(2,112,523)
Finance costs, net	932,785	(899,474)
Profit for the period before tax	110,957,680	139,673,240
Income tax expense	(10,077,148)	-
Profit for the period	100,880,532	139,673,240
Profit attributable to:		
Equity holders of the Parent	100,880,532	139,673,240
Basic and diluted earnings per share attributable to the ordinary equity holders of the Parent (AED)	0.045	-

C. Condensed consolidated interim statement of comprehensive income

	Nine-month period ended 30 June	
	2024 AED	2023 AED
Profit for the period	100,880,532	139,673,240
Other comprehensive income		
Item that may not be reclassified subsequently to profit or loss:		
Actuarial gain on employees' end of service benefits	372,769	-
Total other comprehensive income for the period	372,769	-
Total comprehensive income for the period attributable to:		
Equity holders of the Parent	101,253,301	139,673,240

D. Condensed consolidated interim statement of changes in equity

	Share capital AED	Statutory reserve AED	Capital contribution AED	Other reserves AED	Retained earnings AED	Total AED
At 1 October 2022	-	10,000,000	20,000,000	-	215,337,048	245,337,048
Total comprehensive income for the period	-	-	-	-	139,673,240	139,673,240
Transactions with the owner in its capacity as owner:						
Dividends	-	-	-	-	(214,350,828)	(214,350,828)
At 30 June 2023	-	10,000,000	20,000,000	-	140,659,460	170,659,460
At 1 October 2023	-	10,000,000	20,000,000	-	212,421,946	242,421,946
Profit for the period	-	-	-	-	100,880,532	100,880,532
Other comprehensive income for the period	-	-	-	372,769	-	372,769
Total comprehensive income for the period	-	-	-	372,769	100,880,532	101,253,301
Transactions with the owner in its capacity as owner:						
Share capital issuance	3,673	-	-	-	-	3,673
Business combination of entities under common control	-	-	276,088,627	-	-	276,088,627
Acquisition of a joint venture from the Parent	-	-	9,708,096	-	-	9,708,096
Increase in share capital	224,996,327	-	(224,996,327)	-	-	-
Dividends	-	-	-	-	(211,435,726)	(211,435,726)
Capital contribution	-	-	61,553,802	-	-	61,553,802
At 30 June 2024	225,000,000	10,000,000	142,354,198	372,769	101,866,752	479,593,719

E. Condensed consolidated interim statement of cash flows

	Nine-month period ended 30 June	
	2024	2023
	AED	AED
Cash flows from operating activities		
Profit for the period before tax	110,957,680	139,673,240
Adjustments for:		
Depreciation of property and equipment	9,478,787	6,249,322
Depreciation of right-of-use assets	25,919,084	23,312,418
Amortisation of intangible assets	2,573,637	68,784
Provision for impairment of slow-moving inventories	1,136,994	2,207,600
(Gain)/loss on disposal of property and equipment	(168,382)	1,461,505
Provision for employees' end of service benefits	15,736,663	15,362,375
Finance income	(2,862,956)	(1,213,049)
Finance costs	1,930,171	2,112,523
Operating cash flows before payment of employees' end of service benefits and changes in working capital	164,701,678	189,234,718
Employees' end of service benefits paid	(11,788,465)	(13,585,443)
Changes in working capital:		
Inventories	(1,779,575)	5,134,342
Trade and other receivables	54,459,804	(72,038,654)
Due from related parties	21,900,416	(10,636,212)
Trade and other payables	(63,396,725)	(58,927,757)
Due to related parties	(41,066,946)	(5,365,372)
Net cash generated from operating activities	123,030,187	33,815,622
Cash flows from investing activities		
Purchase of property and equipment	(5,607,720)	(7,420,059)
Proceeds from disposal of property and equipment	374,515	-
Business combination of entities under common control	455,837	-
Acquisition of a joint venture	(9,785)	-
Interest received	2,862,956	1,213,049
Net cash used in investing activities	(1,924,197)	(6,207,010)
Cash flows from financing activities		
Dividends paid	(149,881,924)	-
Interest paid	(1,930,171)	(2,112,523)
Principal elements of lease payments	(24,128,135)	(23,080,553)
Net cash used in financing activities	(175,940,230)	(25,193,076)
Net change in cash and cash equivalents	(54,834,240)	2,415,536
Cash and cash equivalents at the beginning of the period	165,697,328	317,535,458

Dividend Policy

The Company's ability to pay dividends is dependent on a number of factors, including the availability of distributable reserves, its capital expenditure plans and other cash requirements in future periods. There is no assurance that the Company will pay dividends or, if a dividend is paid, the amount such dividend will be. See "*Risk Factors—Risks Relating to the Offer Shares— The Company is a holding company and substantially all of its operations are conducted through its subsidiaries. The Company's ability to pay dividends on the Shares depends on the ability of its operating subsidiaries to generate cash flows*". Any payment of dividends, and the level thereof, will depend on, among other factors, future profits, the Company's business plan and expansion plans, including both organic and inorganic growth plans, and is at the discretion of the Board and subject to the approval from the shareholders in the General Assembly.

Subject to the foregoing, the Board has adopted a dividend policy for the Company which reflects the Company's expectations of strong earnings and cash flow, whilst appropriately balancing the need of the Company to retain resources for its growth and sustainability. The objective of the Company's dividend policy is to provide fairness, sustainability and consistency in distributing profits to its shareholders. The amount and frequency of any dividend will depend on a number of factors, including the Group's anticipated earnings and cash flow, liquidity and development opportunities, the Group's financial obligations, general economic and market conditions and other factors deemed relevant by the Board. The Company's expectations in connection with these factors are subject to numerous assumptions, risks and uncertainties, which may be beyond the Group's control.

Subject to the foregoing, as well as applicable financial parameters, internal and external circumstances, and applicable legal provisions, the Company intends to pay semi-annual cash dividends.

To ensure the Group is well capitalized ahead of the Offering, the Selling Shareholder did not take a dividend from ADNH Catering L.L.C – O.P.C, or any of its subsidiaries, for the year ending 30 September 2024. The Selling Shareholder believes that both existing and new shareholders should benefit from a dividend from the Group for the financial year ending 31 December 2024. The Company, therefore, intends to pay a cash dividend of AED 60 million in April 2025.

For the performance in the financial year ending 31 December 2025, the Company intends to pay a total cash dividend of AED 180 million, split equally between the first half of the financial year (which is expected to be paid in October 2025) and the second half of the financial year (which is expected to be paid in April 2026).

For the performance in the financial year ending 31 December 2026, the Company intends to increase the previous year's dividend by a minimum of 5% to reflect further confidence in the Group's earnings and cashflow generation potential. The cash dividend will be split equally between the first half of the financial year (which is expected be paid in October 2026) and the second half of the financial year (which is expected to be paid in April 2027).

From 1 January 2027 onwards, the Company intends to adopt a progressive dividend policy linked to the Group's financial performance. The Company intends to continue paying cash dividends on a semi-annual basis. Any dividend from 1 January 2027 onwards will be determined based on a target payout ratio linked to profit after tax for the year, reflecting, inter alia: (a) the business performance of the Group for the period to which dividend declared relates to; (b) the outlook for the Group's earnings and cash flow generation potential; and (c) the investment needs of the Group for value-accretive growth initiatives. The dividends recommended by the Company's shall be subject to customary Board and shareholder approvals.

This dividend policy is designed to reflect the Company's expectation of cash flow and expected long-term earnings potential, while allowing the Company to retain sufficient capital to fund ongoing operational requirements and continued investment for long-term growth. This dividend policy is subject to the ongoing consideration of the Board of the cash management requirements of the Company's business for operating expenses, financing expense and anticipated capital expenditure. In addition, the Company expects that the Board will also consider market conditions, the then current operating environment in the Company's markets, and the Board's outlook for the Company's business.

Material events and contracts concluded by the Company (including related party agreements)

Material Agreements

The following is a summary of the agreements that the Group considers material or important or which may otherwise influence an investor's decision to invest in the Offer Shares. These summaries do not purport to describe all the applicable terms and conditions of such agreements.

Intercompany Services Agreement

ADNH Catering Abu Dhabi, ADNH Catering Dubai and ADNH Catering Sharjah entered into an Intercompany Services Agreement with the Selling Shareholder on 24 June 2024, pursuant to which the Selling Shareholder provides support services to the Group, in return for annual fees calculated as a fixed percentage of the costs incurred by the Selling Shareholder for the provision of employees used in delivering the Group's services and of the costs incurred by the Selling Shareholder for obtaining visas for members of the Group's workforce in the UAE. The support services provided by the Selling Shareholder pursuant to the Intercompany Services Agreement comprise submitting bids for contract tenders in the UAE where there is a requirement for a high ICV Score and/or to provide manpower services, being the counterparty of record in contracts where the bids submitted by the Selling Shareholder on the Group's behalf are successful, being the employer of record of the Group's UAE workforce and obtaining UAE visas for the Group's workforce.

All risks, liabilities, losses and profits arising to the Selling Shareholder where it is the counterparty of record to contracts on the Group's behalf are agreed to accrue in favour of, and shall be borne by, ADNH Catering Abu Dhabi, ADNH Catering Dubai and ADNH Catering Sharjah and these entities agree to fully indemnify the Selling Shareholder for any damages, losses and claims that may arise to the Selling Shareholder from being the counterparty of record. Similarly, all business services, client management and daily operations will be carried out by ADNH Catering Abu Dhabi, ADNH Catering Dubai and ADNH Catering Sharjah, as will all recruitment, payroll and other human resources related activities relating to their workforces.

The Intercompany Services Agreement has an indefinite term and may only be terminated by mutual written consent of all parties thereto. ADNH Catering Abu Dhabi, ADNH Catering Dubai and ADNH Catering Sharjah retain the right to request the Selling Shareholder to promptly transfer and assign contracts to which the Selling Shareholder is the counterparty of record to themselves, at their request.

Financing Agreement

Revolving Credit Facility

ADNH Catering Abu Dhabi, ADNH Catering Dubai and ADNH Catering Sharjah (the "**Borrowers**") entered into a revolving credit facility letter for an amount of AED 250 million with First Abu Dhabi Bank PJSC ("**FAB**") dated 24 July 2024 (the "**Facility**"). The Facility is to be utilised for general corporate purposes.

The Facility is available for a term of 35 months from 24 July 2024, has a tenor of three years, maturing on 24 July 2027, and can be extended at the sole discretion of FAB for one further year, upon receiving notice from the Borrowers no later than two months prior to the maturity date of the Facility. The applicable interest rate is three-month EIBOR (floored at zero) plus a margin of 1.20 per cent per annum.

Each loan taken pursuant to the Facility has an interest period of three months and shall be rolled over or repaid at the end of each three-month interest period. All principal amounts outstanding shall be repaid in one payment, together with any interest accrued thereon, and any other charges incurred, upon maturity of the Facility.

The Selling Shareholder has provided a guarantee in respect of the obligations of the Borrowers under the Facility. No other security has been provided.

The Facility contains undertakings, covenants and restrictions customary for facilities of this nature. The financial covenants include a minimum tangible net worth threshold of AED 7,500,000,000 with respect to the Selling Shareholder to be maintained throughout the term of the Facility, a maximum leverage ratio, being the ratio of net debt to net equity, of 1.5x to be maintained throughout the term of the Facility, and a maximum gearing ratio, being the ratio of net debt to EBITDA, of 5x to be maintained throughout the term of the Facility. The covenants are to be tested on a semi-annual basis.

The Facility contains customary events of default in cases of non-compliance by the Borrowers or the Selling Shareholder, as guarantor, subject in certain cases to agreed grace periods and thresholds, and other qualifications. Further, the Selling Shareholder is required to maintain minimum 50% ownership of the share capital of the Borrowers otherwise a mandatory prepayment event will be triggered.

Joint Venture Agreement

Compass Arabia Shareholders Agreement

ADNH Catering Abu Dhabi entered into a shareholders' agreement with the Selling Shareholder, Compass Group International B.V. ("**Compass BV**") and Al-Rushaid Petroleum Investment Company ("**ARPIC**") (mixed liability partnership) dated 14 April 2012 (the "**Compass Arabia Shareholders Agreement**"), whereby the parties agreed to establish a limited liability company in the KSA, which was registered under the name Compass Arabia, in which the Selling Shareholder held 30% of the shareholding, in order to engage in all aspects of general catering services, cleaning and support services and facilities management services, including janitorial, pest control and related activities, to customers in the KSA. Compass Arabia acceded to the Compass Arabia Shareholders Agreement after incorporation and upon signing a deed of adherence. The Selling Shareholder's 30% interest in Compass Arabia was transferred to ADNH Catering Abu Dhabi on 30 June 2024. The Compass Arabia Shareholders Agreement has an unlimited duration and can only be terminated by mutual agreement of all the parties thereto and a party will cease to be party to the Compass Arabia Shareholders Agreement upon itself and each of its successor and assigns no longer owning any of the shares in Compass Arabia. All parties paid-up their portion share capital as at incorporation and there are no funding requirements of ADNH Catering Abu Dhabi or the Selling Shareholder that remain outstanding.

The board of directors of Compass Arabia comprises four directors, one of which is appointed by ADNH Catering Abu Dhabi. Daily management of Compass Arabia is delegated to a general manager that is nominated by ADNH Catering Abu Dhabi and Compass BV, subject to approval from ARPIC, with certain matters being reserved for board approval, including, among others, acquisition or disposal of assets outside of the ordinary course of business, entry into contracts outside of the ordinary course of business and the writing-off of bad debts. Similarly, certain matters are designated as shareholder reserved matters which require the prior written approval of the shareholders in order to proceed, including, among others, a change in the share capital of Compass Arabia, the declaration of dividends and any further financing of Compass Arabia by its shareholders. All decisions at board and shareholder level require unanimous agreement and the Compass Arabia Shareholders Agreement contains provisions for the resolution of a voting deadlock.

Related Party Transactions

The Group is and has been a party to various agreements and other arrangements with related parties, comprising the Selling Shareholder and those enterprises over which the Selling Shareholder can exercise significant influence. The most significant of these transactions are described below. For details of the impact of related party transactions on the Group's financial position as at 30 September 2023 and 30 June 2024, please refer to note 15 of the Combined Interim Financial Statements, included elsewhere in this Prospectus.

The Group's most recent significant related party transactions include the following:

Relationship with the Selling Shareholder

The Group transacts with the Selling Shareholder, joint ventures and entities controlled, jointly controlled, or significantly influenced by the Selling Shareholder, within the scope of its ordinary business activities. For example, ADNH Catering Abu Dhabi has entered into a lease agreement with the Selling Shareholder in respect of the Group's head office in Abu Dhabi and Group entities have entered into the Intercompany Services Agreement with the Selling Shareholder (see "*Material Agreements—Intercompany Services Agreement*").

Relationship with Clients

The Group contracts with a number of clients that are entities under common control with the Company. For example, Group entities are parties to contracts to provide food and support services to entities under the common control of the Selling Shareholder, including The Ritz-Carlton Abu Dhabi and Radisson Blu Hotel Al Ain.

Relationship with Suppliers

The Group contracts with a number of suppliers that are entities under common control with the Company. For example, the Group procures travel agent services from Sunshine Travel & Tours, and rents vehicles from Al Ghazal Transport Company, entities under common control of the Selling Shareholder.

Fourth Section: Other Details

1. Mechanism for adopting a governance system in the Company

The Board of Directors (the "**Board**") is committed to standards of corporate governance that are in line with international best practice. As at the date of this Prospectus, the Company complies, and intends to comply, with the corporate governance requirements of the ADX listing and disclosure rules.

In this respect, the ADX listing and disclosure rules provide that the ADX may apply the Corporate Governance Guide for Joint Stock Companies issued by the SCA pursuant to Decision No. 3/RM of 2020 (as amended) (the "**Governance Rules**") on all entities listed on the ADX.

Company's Board structure

The Board consists of 7 Directors, 6 of whom are Non-Executive Directors, 1 which is an Executive Director and 4 of whom are independent Directors as set out below:

Name	Year of birth	Position	Year of appointment
Khalaf Sultan Al Dhaheri*	1974	Chairman – Non-Executive Director	2024
H.E. Sheikh Ahmed Aldhahiri	1971	Vice-chairman – Non-Executive Director	2024
Mohamed Khalaf Al Otaiba*	1975	Non-executive Director	2024
Khalid Anib	1965	Non-executive Director	2024
Darwish Ahmed Alketbi*	1975	Non-executive Director	2024
Rauda Abdulla Aldhaheri*	1992	Non-executive Director	2024
Clive Cowley	1952	Executive Director	2024

*Denotes that the Director is considered independent under the Governance Rules.

The business address of each of the Directors is: Assigned Desk 2323L, 23rd Floor, Sky Tower, Shams Abu Dhabi, Al Reem Island, Abu Dhabi, United Arab Emirates.

The management expertise and experience of each of the Directors is set out below:

Mr. Khalaf Al Dhaheri (Chairman)

Mr. Khalaf Sultan Al Dhaheri serves as the Chairman of the Company. Mr. Al Dhaheri also serves on the boards of Abu Dhabi National Hotels Company PJSC and on the audit committee for Abu Dhabi National Hotels Company PJSC. Mr. Al Dhaheri is the group chief operating officer for First Abu Dhabi Bank, prior to which, Mr. Al Dhaheri was group chief operating officer for group operations, IT and corporate support division for National Bank of Abu Dhabi.

Mr. Al Dhaheri was awarded a Bachelors Degree in Accounting from U.A.E University and a Masters of Business Administration by Zayed University in 2005 and is a chartered public accountant.

H.E. Sheikh Ahmed Mohammed Sultan Suroor Aldhahiri (Vice chairman)

H.E. Sheikh Ahmed Mohammed Sultan Suroor Aldhahiri serves as the Vice Chairman of the Company. H.E. Sheikh Ahmed Mohammed Sultan Suroor Aldhahiri also serves on the boards of Abu Dhabi National Hotels Company PJSC, Abu Dhabi Aviation, E&, First Abu Dhabi Bank and Al Dhafra Insurance Company.

H.E. Sheikh Ahmed Mohammed Sultan Suroor Aldhahiri was awarded a Bachelors Degree in Civil Engineering Science by U.A.E University in 1993.

Mr. Mohamed Khalaf Al Otaiba (Member)

Mr. Mohamed Khalaf Al Otaiba serves as a Director of the Company. Mr. Al Otaiba also serves on the boards of Abu Dhabi National Hotels Company PJSC, Al Otaiba Investment Group, Emirates General Contracting and United Emirates General Construction Est.

Mr. Al Otaiba was awarded a Bachelors Degree in Business by the Arab Academy for Science, Technology and Maritime Transport, Alexandria, Egypt in 2001.

Mr. Khalid Anib (Member)

Mr. Khalid Anib serves as a Director of the Company. Mr. Anib also serves on the boards of Abu Dhabi National Hotels Company PJSC, Abu Dhabi Tourism Investment Company and Arab Misr Hotels Company. Mr. Anib is the chief executive officer for Abu Dhabi National Hotels Company PJSC, prior to which, Mr. Anib was Managing Director – Hospitality Division at Al Hokair Group, Saudi Arabia, general manager for Banyan Tree Al Areen, Bahrain and multi-unit general manager for Sofitel City Centre Hotel & Residence, Dubai.

Mr. Anib was awarded a Masters in Business Administration from Strathclyde University in 2006 and a Diploma in Marketing and Export Business from Ammati Koulo, Turku, Univer Finland, in 1998.

Mr. Darwish Ahmed Alketbi (Member)

Mr. Darwish Ahmed Alketbi serves as a Director of the Company. Mr. Alketbi also serves on the board of Abu Dhabi National Hotels Company PJSC. Mr. Alketbi is the director for M/S Saif Bin Darwish, prior to which, Mr. Alketbi was a director for Darwish Bin Ahmed & Sons Company L.L.C, Dubai.

Mr. Alketbi was awarded a Bachelors Degree in Business Administration from Suffolk University in 1998 and a Masters in Business Administration from Boston University in 2000.

Ms. Rauda Abdulla Sorour Aldhaheri (Member)

Ms. Rauda Abdulla Sorour Aldhaheri serves as a Director of the Company. Ms. Aldhaheri also serves on the board of Abu Dhabi National Hotels Company PJSC and Al Dhafra Insurance Company. Ms. Aldhaheri is a company manager for Alfa Gulf Real Estate, prior to which she was a company manager for Bin Suroor Engineering.

Ms. Aldhaheri was awarded a Bachelors Degree in Architectural Engineering from U.A.E University in 2015.

Mr. Clive Cowley (Member)

See "*—Senior Management—Mr. Clive Cowley (Chief Executive Officer)*".

Senior Management

In addition to the members of the Board, the day-to-day management of our operations is conducted by our senior management team. The management expertise and experience of each of the senior management team is set out below.

Mr. Clive Cowley (Chief Executive Officer)

Mr. Clive Cowley is the Chief Executive Officer of the Company, a role he has held since its incorporation, and was the chief executive officer for ADNH Catering L.L.C – O.P.C. Prior to which, Mr. Cowley was general director for ESS Support Services LLC, executive director of ISS Food Hygiene Ltd, and commercial director of ISS Servisystem Ltd.

Mr. Cowley was awarded a Graduate Diploma in Environmental Health from Charles Trevelyan College of Arts and Technology in 1973, a Post Graduate Diploma in Air Pollution Control from Newcastle-upon-Tyne Polytechnic in 1975 and a Masters in Business Leadership from Revans University in 2004.

Mr. Andrew Marshall (Chief Financial Officer)

Mr. Andrew Marshall is the Chief Financial Officer for the Company, a role he has held since its incorporation, and was chief financial officer of ADNH Catering L.L.C – O.P.C. Prior to which, Mr. Marshall was the managing director for Compass Group in both Singapore and Malaysia and regional finance director for the Asia Pacific region for Compass Group. Mr. Marshall plans to resign from his role as Chief Financial Officer of the Company in November 2024.

Mr. Marshall was awarded a Bachelors Degree in American Management Science from Swansea University in 1993 and is an ACA Chartered Accountant.

Mr. Anthony Childers (Deputy Chief Financial Officer)

Mr. Anthony Childers is the Deputy Chief Financial Officer for the Company, a role he has held since July 2024. Mr. Childers is designated to succeed Mr. Andrew Marshall as the outgoing Chief Financial Officer of the Company in November 2024. Prior to which, Mr. Childers was country manager and finance manager for Subsea 7, Mexico and country manager for Whittaker Engineering.

Mr. Childers was awarded a Bachelor’s degree in Physical Education and Sports Science from Loughborough University in the UK in 1986 and a Masters in Business Administration from Warwick University in 1988 and is a Chartered Accountant.

Mr. Peter Nichols (Chief Operating Officer)

Mr. Peter Nichols is the Chief Operating Officer for the Company, a role he has held since its incorporation, and was chief operating officer of ADNH Catering L.L.C – O.P.C. Prior to which, Mr. Nichols was managing director of Empact Group (formerly Compass Group Southern Africa), business director for Compass Group, China, executive director of Compass Group, Middle East, and managing director for Compass Group, Greece.

Mr. Nichols was awarded a National Diploma in Management Sciences from Reading University in 2022, a Masters Degree in Business Leadership from Revans University in 2005 and is a fellow of the International Management Centres Association.

Mr. Vishal Subba (Chief People Officer)

Mr. Vishal Subba is the Chief People Officer for the Company, a role he has held since its incorporation, and was chief people officer of ADNH Catering L.L.C – O.P.C. Prior to which, Mr. Subba was head of people, Middle East, general manager, human resources and assistant general manager for ADNH Compass ME LLC.

Mr. Subba was awarded a Bachelor of Arts with specialisation in Industrial Relations, Economics and Sociology and a further honours in English from Bangalore University in 1996.

Ms. Pamela Di Benedetto (General Counsel)

Ms. Pamela Di Benedetto is the General Counsel for the Company, a role she has held since its incorporation, and was general counsel for ADNH Catering L.L.C – O.P.C and its affiliates in the UAE and KSA. Prior to which, Ms. Di Benedetto was general counsel, Africa and Middle East, for Sodexo Group and international finance and business legal counsel for ENI S.p.A.

Ms. Di Benedetto was awarded a Bacherlor of Laws with specialisation in International Commercial Contracts from the Catholic University of Milan in 2013 and was admitted to the Italian Bar Association in 2013.

Ms. Catherine Leach (Client Relationship Director)

Ms. Catherine Leach is the Client Relationship Director for the Company, a role she has held since its incorporation, and was client relationship director for ADNH Catering L.L.C – O.P.C. Prior to which, Ms. Leach was head of strategic partnerships for ADNH Catering L.L.C – O.P.C, strategic partner of Compass UK&I, account director for Beacon Purchasing, regional manager for Miko Coffee, and national account director and country manager for Unilever South Africa, Southeast Asia, China and Taiwan.

Ms. Leach was awarded a Bachelor of Sciences with major in Horticulture from the University of Cape Town in 1988.

Mr. Evan Hooper (Procurement and Supply Chain Director)

Mr. Evan Hooper is the Procurement and Supply Chain Director for the Company, a role he has held since its incorporation, and was procurement and supply chain director for ADNH Catering L.L.C – O.P.C. Prior to which, Mr. Hooper was procurement and supply chain director for Aramark UK and buyer/merchandiser for Marks and Spencer PLC.

Mr. Hooper was awarded Bachelors in Accounting from Bournemouth University in June 2000, and he was awarded MCIPS from the Chartered Institute of Purchasing & Supply in 2018.

Mr. Ramanathan Vellaiyappan (Head of Finance)

Mr. Ramanathan Vellaiyappan is the Head of Finance for the Company, a role he has held since its incorporation, and was head of finance for ADNH Catering L.L.C – O.P.C. Prior to which, Mr. Vellaiyappan was finance director for Compass Kazakhstan and finance director for Compass Angola.

Mr. Vellaiyappan became an Associate Member of Chartered Accountants of India in 1996.

Company’s Organization Chart

Please refer to Annex 5.

Employment positions of members of the senior executive in the Company’s subsidiaries and other public joint stock companies:

Clive Cowley	Chief Executive Officer of ADNH Catering LLC OPC

Employment positions of members of the board of directors in the Company’s subsidiaries and other public joint stock companies in UAE:

Khalid Anib	Chief Executive Officer of Abu Dhabi National Hotels Company PJSC
Clive Cowley	Chief Executive Officer of ADNH Catering LLC OPC

Conditions of eligibility, election, and removal of the Board of the Company

Board members will be elected by the shareholders. The Board of Directors was appointed by the Selling Shareholder for a period of 3 years commencing on the date of appointment.

If a position becomes vacant during the term of the Board, then a replacement may be appointed in accordance with the provisions of the Company's Articles of Association. Any such replacement shall serve the remaining term of the director who vacated her or his or her position.

Director's competencies and responsibilities:

The principal duties of the Board are to provide the Company's strategic leadership, to determine the fundamental management policies of the Company and to oversee the performance of the Company's business. The Board is the principal decision-making body for all matters that are significant to the Company, whether in terms of their strategic, financial or reputational implications. The Board has final authority to decide on all issues save for those which are specifically reserved to the general meeting of Shareholders by law or by the Company's Articles of Association.

The key responsibilities of the Board include:

- determining the Company's strategy, plan budget and structure;
- approving the fundamental policies of the Company;
- implementing and overseeing appropriate financial and valuation reporting procedures, risk management policies and other internal and financial controls;
- proposing the issuance of new ordinary shares and any restructuring of the Company;
- appointing senior executive management of the Company;
- determining the remuneration policies of the Company and ensuring the independence of Directors and that potential conflicts of interest are managed; and
- calling Shareholder meetings and ensuring appropriate communication with Shareholders.

1. Board Committees

The Board has an Audit & Risk Committee, a Nomination and Remuneration Committee and a Board Executive Committee (each of which will be subject to the composition requirements of the Governance Rules). If the need should arise, and subject to the Articles of Association, the Board may set up additional committees as appropriate. In accordance with the Governance Rules, the

Chairman is not permitted to be a member of either the Audit & Risk Committee or the Nomination and Remuneration Committee.

A high-level overview of the mandate of each of these committees, as at Listing, is set out below.

Audit & Risk Committee

Certain members of the Board of Directors (together with an independent specifically appointed chairperson) constitute a committee to review and oversee the Company's internal and external audit and financial accounting policies. The Audit & Risk Committee comprises of the following members:

Name	Position
Mr. Mohamed Khalaf Al Otaiba	Chairman
Mr. Rami Naim Al Muhtaseb	Member
Mr. Darwish Al Ketbi	Member
Ms. Rauda Abdulla Sorour Aldhaheri	Member

The Audit & Risk Committee assists the Board in discharging its responsibilities relating to financial reporting, external and internal audits and controls, including reviewing and monitoring the integrity of the financial statements, reviewing and monitoring the extent of the non-audit work undertaken by external auditors, advising on the appointment of external auditors, overseeing the relationship with the external auditors, reviewing the effectiveness of the external audit process, and reviewing the effectiveness of the internal control review function. The Audit & Risk Committee also assists the Board in overseeing the valuation process carried out by management, reviewing and approving valuation policy and the Company's procedures manual on an annual basis, and liaising with auditors regarding their views on valuation.

The ultimate responsibility for reviewing and approving the annual report and accounts remains with the Board. The Audit & Risk Committee will give due consideration to the applicable laws and regulations of the UAE, the ADGM and SCA.

The Audit & Risk Committee will take appropriate steps to ensure that the Company's external auditors are independent of the Company as required by applicable law.

The Audit & Risk Committee will meet at least once every three months or as required. The Audit & Risk Committee charter requires that the Audit & Risk Committee must comprise of at least three and not more than five Non-Executive Board members, of whom at least two members shall be independent. One such independent Board member shall be the chairman of the Audit & Risk Committee. All members of the Audit & Risk Committee must have knowledge and expertise in financial and accounting matters and at least one of them must have previous work experience in the field of accounting or financial matters or hold a scientific qualification or a professional certificate in accounting or finance.

One or more of the Audit & Risk Committee members may be appointed from outside the Company if none of the Board members meet the required experience threshold.

Nomination and Remuneration Committee

Certain members of the Board of Directors constitute a committee to review and oversee the Company's nomination and remuneration. The Nomination and Remuneration Committee comprises of the following members:

Name	Position
Mr. Darwish Al Ketbi	Chairman
H.E. Sheikh Ahmed Al Dhahiri	Member
Mr. Mohamed Khalaf Al Otaiba	Member
Mr. Khalid Anib	Member

The Nomination and Remuneration Committee assists the Board in setting and overseeing the nomination and remuneration policies in respect of the Board, any committees of the Board and senior management. In such capacity, it is responsible for evaluating the hiring of the Company's senior executive management, evaluating the balance of skills, knowledge and experience of the Board and committees of the Board and, in particular, monitoring the independent status of the independent Directors. It is also responsible for periodically reviewing the Board's structure and identifying, where relevant, potential independent candidates to be appointed as Directors or committee members as the need may arise. In addition, and subject to the Articles, the Nomination and Remuneration Committee assists the Board in determining its responsibilities in relation to remuneration, including making recommendations to the Board on the Company's policy on executive remuneration, setting the overarching principles, parameters and governance framework of the remuneration policy and determining the individual remuneration and benefits package of the senior management.

The Nomination and Remuneration Committee must comprise at least three and not more than five Non-Executive Directors, at least two of whom must be independent, in each case within the meaning of those terms in the Governance Rules. One such independent Board member shall be the chairman of the Nomination and Remuneration Committee. The members of the Nomination and Remuneration Committee will be appointed in accordance with the Articles of Association. The Nomination and Remuneration Committee will meet at least once a year, and otherwise from time to time based on the Company's requirements.

All members of the Nomination and Remuneration Committee shall have experience and competence in the fields that serve the committee's field of work (including but not limited to financial, legal, managerial, administrative or executive expertise).

Board Executive Committee

Certain members of the Board of Directors constitute a board executive committee. The board executive committee comprises of the following members:

Name	Position
H.E. Sheikh Ahmed Al Dhahiri	Chairman

Mr. Darwish Al Ketbi .... Member

Mr. Khalid Anib .... Member

The duties of the Board Executive Committee include reviewing matters relating to the commercial, financial and operational performance, function and planning of the Group, receiving and reviewing information and reports relating to the Group, and reviewing the executive committee reserved matters and related party transactions**.** The Board Executive Committee is required to meet every four to six weeks.

2. Legal matters

The following is a summary of the legal matters that will apply to the Company following its Listing. The legal matters listed below must be read in light of the provisions of the Company's Articles of Association (which are set out in Annex 2 of this Prospectus).

- **The applicability of Governance and the ADGM Companies Regulations**

  The Company decided voluntarily to comply with the Governance Rules as issued by the Securities and Commodities Authority, as amended from time to time. Accordingly, any contradictions between provisions found in Company's Articles of Association which is based on the ADGM Companies Regulations, the Company shall comply with the Governance Rules as issued by the Securities and Commodities Authority and in particular, but not limited to the following: 1) the annual general meeting; 2) Board composition and required eligibility for each member; 3) all provisions related to the Board and in particular the remuneration of the Board; 4) permanent committees; 5) provisions for entering into related parties transactions; 6) insiders; 7) The independency requirements in relation to the Board; and 8) provisions on the conflict of interest.

- **Articles of Association**

  The Company's Articles of Association and the Companies Regulations describe the rights and obligations associated with the ownership of the Shares in detail. The full text of the Articles of Association of the Company is annexed in Annex 2 of the Prospectus.

- **Attending General Meeting and voting rights**

  Each Shareholder shall have the right to attend the General Meeting and shall have a number of votes equal to the number of their Shares.

- **Share register**

  Upon listing on the ADX, the Shares will be dematerialized, and the share register will be maintained by the ADX.

- **Financial information**

  A Shareholder is entitled to request a copy of the annual audited financial statements of the Company.

- **Financial year**

  The financial year of the Company will start on the 1 January and end on 31 December of each year.

- **Dividends and liquidation proceeds**

  The Company shall pay dividends on Shares in compliance with the relevant laws and regulations applicable to the Company. Shareholders shall have the sole right to the profits due on those Shares. In the event of liquidation of the Company, each Shareholder shall be entitled to a part of the Company's assets in accordance with the Company's Articles of Association and applicable law and regulation in the ADGM.

- **General Meeting**

  An annual general meeting shall be held in accordance with the Companies Regulations, Articles of Association of the Company and the Governance Rules.

  The Company decided voluntarily to comply with the Governance Rules as issued by the Securities and Commodities Authority, as amended from time to time. Accordingly, any contradictions between provisions found in Company's Articles of Association, which is based on the ADGM Companies Regulations, the Company shall comply with the Governance Rules as issued by the Securities and Commodities Authority and in particular, but not limited to the annual general meeting.

- **Liability of the Board**

  The members of the Board owe general duties to the Company in accordance with the Companies Regulations, Articles of Association of the Company and the Governance Rules (including exercising reasonable care, skill and diligence and acting to promote the success of the Company).

- **Appointment of the Chairperson and the Powers of the Chairperson**

  Mr. Khalaf Al Dhaheri is the chairman of the Board. The chairman of the Board chairs the Board meetings, and in the absence of the chairman, the vice-chairman shall fill the role.

- **Corporate Governance**

  The Company shall be subject to the corporate governance rules as published by SCA and amended from time to time.

3. Supervision and Regulation

The Company is a public company limited by shares incorporated in the ADGM. The ADGM is a financial free zone within the meaning of UAE Federal Law No. 8 of 2004 (the "**Financial Free Zones Law**") and was established pursuant to UAE Federal Decree No. 15 of 2013. As a company incorporated in the ADGM, and in accordance with the Financial Free Zones Law, the Company is not subject to UAE federal civil and commercial laws. In particular, and without limitation, the Company is not subject to the provisions of the UAE Commercial Companies Law nor a variety of other legislation which applies to companies incorporated ‘onshore’ in the UAE. Instead, the Company is governed by applicable laws and regulations in the ADGM including the Companies Regulations.

In accordance with the ADGM legal framework applicable to public companies such as the Company, its primary constitutional document is its Articles of Association. Apart from various matters governed by the Companies Regulations and other ADGM legislation, the principal corporate governance and disclosure and transparency rules applicable to the Company are set out in the SCA Governance Guide, the provisions of the Chairman of Authority’s Board of Directors’ Decision no. 3 of 2000 concerning the regulations as to disclosure and transparency and in the Articles of Association and related documents (such as charters, policies and procedures adopted by the Board of Directors from time to time). The ADGM Board of Directors and, in certain circumstances, the ADGM Registration Authority has the power and authority to investigate violations of the Companies Regulations, including if it appears to it that there are circumstances suggesting that an ADGM company’s affairs are being or have been conducted in a manner which is unfairly prejudicial to some part of its members, and in certain cases to refer such violations to ADGM courts. Shareholders in ADGM companies may also directly seek injunctions from ADGM courts against acts in violation of the Companies Regulations or constitutional documents and can seek to recover damages for such violations from ADGM companies and their directors.

Pursuant to the ADX listing rules, ADX has the authority to apply the Governance Rules applicable to financial free zone companies such as the Company that list securities on ADX.

Investors should familiarize themselves with applicable ADGM laws and regulations, and the Company’s Articles of Association annexed to the Prospectus.

4. ADGM No Objection

The ADGM Registration Authority has issued a certificate of no objection to the Listing and the Offering in accordance with Article 33 of SCA Decision No. 11 RM of 2016 concerning the Regulation of Offering and Issuing Shares in Public Joint Stock Companies (as amended).

5. Independent Auditors

The condensed consolidated interim financial information for the nine-months ended 30 June 2024 (the “**Company Interim Financial Statements**”) included in the Prospectus, have been reviewed by PricewaterhouseCoopers Limited Partnership (ADGM Branch) in accordance with International Standard on Review Engagements 2410 ‘Review of interim financial information performed by the independent auditor of the entity’ as stated in their review report appearing herein which includes an emphasis of matter paragraph drawing attention to the fact that the Company Interim Financial Statements are special purpose)

PricewaterhouseCoopers Limited Partnership (ADGM Branch),

Al Khatem Tower, Abu Dhabi Global Market,

25th Floor, PO Box 45263

Abu Dhabi - United Arab Emirates

The special purpose condensed combined interim financial information of A D N H CATERING - L.L.C - O.P.C, A D N H Catering L.L.C, and A D N H Compass L.L.C SP for the nine-months period ended 30 June 2024 (the "**Combined Interim Financial Statements**"), included in this Prospectus, have been reviewed by PricewaterhouseCoopers Limited Partnership - Abu Dhabi in accordance with International Standard on Review Engagement 2410 'Review of interim financial information performed by the independent auditor of the entity', as stated in their review report appearing herein (which includes an emphasis of matter paragraph drawing attention to Note 1 to the Combined Interim Financial Statements.

PricewaterhouseCoopers Limited Partnership – Abu Dhabi,

Al Khatem Tower, Abu Dhabi Global Market,

25th Floor, PO Box 45263

Abu Dhabi - United Arab Emirates

6. Details of any employee ownership scheme

The Company does not have any employee share ownership scheme.

Annex 1A – Financial Statements

Abu Dhabi National Hotels Company – Compass Middle East - LLC, Abu Dhabi National Hotels Compass Emirates (L.L.C) and AD N H Compass LLC
(ABU DHABI NATIONAL HOTELS COMPASS GROUP)

Combined financial statements
30 September 2023

Principal business address:
P.O. Box: 109767
Abu Dhabi
United Arab Emirates

Abu Dhabi National Hotels Compass Group

Combined financial statements

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KPMG Lower Gulf Limited
Level 19, Nation Tower 2
Corniche Road, P.O. Box 7613
Abu Dhabi, United Arab Emirates
Tel. +971 (2) 401 4800, www.kpmg.com/ae

Independent auditors' report

To the Shareholders of Abu Dhabi National Hotels Company – Compass Middle East - LLC, Abu Dhabi National Hotels Compass Emirates (L.L.C) and AD N H Compass LLC

Report on the Audit of the Financial Statements

Opinion

We have audited the combined financial statements of Abu Dhabi National Hotels Company – Compass Middle East - LLC, Abu Dhabi National Hotels Compass Emirates (L.L.C) and AD N H Compass LLC (the "Reporting entity"), which comprise the combined statement of financial position as at 30 September 2023, the combined statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the combined financial position of the Reporting entity as at 30 September 2023, and its combined financial performance and its combined cash flows for the year then ended in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Combined Financial Statements* section of our report. We are independent of the Reporting entity 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 combined financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Preparation

We draw attention to note 2 to the combined financial statements, which describes their basis of preparation, including the approach to and the purpose of preparing them. The combined financial statements were prepared for the purposes of the Reporting entity's proposed listing on the Abu Dhabi Securities Exchange through an Initial Public offering. Our opinion is not modified in respect of this matter.

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

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

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

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

Auditors' Responsibilities for the Audit of the Combined Financial Statements

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

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

- Identify and assess the risks of material misstatement of the combined 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 Reporting entity's internal control.

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

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

Auditors' Responsibilities for the audit of the Combined Financial Statements (continued)

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

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

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.

KPMG Lower Gulf Limited

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

Date: 05 AUG 2024

Abu Dhabi National Hotels Compass Group

Statement of combined financial position
as at 30 September

	Note	2023 AED	2022 AED
Assets			
Non-current assets			
Property, plant and equipment	*9*	**20,154,559**	19,544,925
Intangible assets	*10*	**285,534**	68,784
Right-of-use assets	*11*	**105,108,100**	85,826,442
Total non-current assets		**125,548,193**	105,440,151
Current assets			
Inventories	*12*	**13,232,529**	15,697,110
Trade and other receivables	*13*	**687,603,861**	681,945,227
Due from related parties	*14*	**1,723,248**	5,934,996
Cash and cash equivalents	*15*	**166,001,074**	317,877,422
Total current assets		**868,560,712**	1,021,454,755
Total assets		**994,108,905**	1,126,894,906
Equity and liabilities			
Equity			
Share capital	*16*	**20,450,000**	20,450,000
Statutory reserve	*17*	**10,225,000**	10,225,000
Retained earnings		**223,423,235**	240,308,446
Total equity		**254,098,235**	270,983,446
Liabilities			
Non-current liabilities			
Provision for employees' end of service benefits	*18*	**110,272,285**	117,518,032
Lease liabilities	*19*	**56,663,360**	46,570,108
Total non-current liabilities		**166,935,645**	164,088,140
Current liabilities			
Trade and other payables	*20*	**509,576,123**	638,530,987
Due to related parties	*14*	**23,966,902**	23,257,201
Lease liabilities	*19*	**39,532,000**	30,035,132
Total current liabilities		**573,075,025**	691,823,320
Total liabilities		**740,010,670**	855,911,460
Total equity and liabilities		**994,108,905**	1,126,894,906

To the best of our knowledge the combined financial statements of the Reporting entity fairly presents, in all material respects, the financial position, results of operations and cash flows of the Reporting entity as of and for the year ended 30 September 2023.

Chairman

CEO-Middle East

The notes set out on pages 9 to 38 form an integral part of these financial statements.

The independent auditors' report is set out on pages 1 to 3.

Abu Dhabi National Hotels Compass Group

Combined statement of profit or loss and other comprehensive income
for the year ended 30 September

	Note	**2023 AED**	2022 AED
Revenue	*6*	**1,817,493,159**	1,989,754,448
Cost of revenue	*7*	**(1,523,903,424)**	(1,674,007,388)
Gross profit		**293,589,735**	315,747,060
Administrative expenses	*8*	**(50,527,123)**	(76,298,964)
Impairment loss on trade receivables	*13*	**(17,576,077)**	(9,308)
Other income / expenses		**(1,941,979)**	2,195,106
Finance income		**2,783,853**	2,933
Finance costs		**(3,220,806)**	(1,644,014)
Profit for the year		**223,107,603**	239,992,813
Other comprehensive income		**-**	-
Total comprehensive income for the year		**223,107,603**	239,992,813

The notes set out on pages 9 to 38 form an integral part of these combined financial statements.

The independent auditors' report is set out on pages 1 to 3.

Abu Dhabi National Hotels Compass Group

Combined statement of changes in equity
for the year ended 30 September

	Share capital AED *(note 16)*	**Statutory reserve AED** *(note 17)*	**Retained earnings AED**	**Total equity AED**
Balance at 1 October 2021	20,450,000	10,225,000	262,848,607	293,523,607
Profit for the year	-	-	239,992,813	239,992,813
Dividends *(note 16)*	-	-	(262,532,974)	(262,532,974)
Balance at 30 September 2022	20,450,000	10,225,000	240,308,446	270,983,446
Balance at 1 October 2022	**20,450,000**	**10,225,000**	**240,308,446**	**270,983,446**
Profit for the year	-	-	**223,107,603**	**223,107,603**
Dividends *(note 16)*	-	-	**(239,992,814)**	**(239,992,814)**
Balance at 30 September 2023	**20,450,000**	**10,225,000**	**223,423,235**	**254,098,235**

The notes set out on pages 9 to 38 form an integral part of these combined financial statements.

The independent auditors' report is set out on pages 1 to 3.

Abu Dhabi National Hotels Compass Group

Combined statement of cash flows
for the year ended 30 September

	Note	2023 AED	2022 AED
Cash flows from operating activities			
Profit for the year		**223,107,603**	239,992,813
Adjustments for:			
Depreciation of property, plant and equipment	*9*	**11,016,675**	9,743,018
Loss on disposal of property, plant and equipment	*9*	**1,207**	(1,672,090)
Amortisation of intangible assets	*10*	**72,800**	291,533
Depreciation of right-of-use assets	*11*	**43,183,013**	31,738,173
Impairment loss on trade receivables	*13*	**17,576,077**	9,308
Finance income		**(2,783,853)**	(2,933)
Provision for employees' end of service benefits	*18*	**23,163,874**	31,077,378
Finance cost		**3,220,806**	1,644,014
		318,558,202	312,821,214
Changes in:			
- Inventories	*12*	**2,464,581**	3,934,117
- Trade and other receivables	*13*	**(23,234,711)**	44,429,764
- Due from related parties	*14*	**4,053,254**	23,204,418
- Trade and other payables	*20*	**(126,223,119)**	6,027,239
- Due to relates parties	*14*	**33,422**	(21,950,366)
Cash generated from operations		**175,651,629**	368,466,386
Employees' end of service benefits paid	*18*	**(30,416,252)**	(32,982,714)
Net cash generated from operating activities		**145,235,377**	335,483,672
Cash flows from investing activities			
Acquisition of property, plant and equipment	*9*	**(13,534,852)**	(13,425,242)
Proceeds from sale of property, plant and equipment	*9*	**1,907,520**	2,858,720
Proceed from sale of other assets		**225,078**	-
Addition to Intangible assets	*10*	**(289,550)**	-
Interest received		**2,783,853**	2,933
Net cash used in investing activities		**(8,907,951)**	(10,563,589)
Cash flows used in financing activities			
Dividends paid	*16*	**(239,992,814)**	(262,532,974)
Principal payments related to lease liabilities	*25*	**(44,990,154)**	(41,218,415)
Interest payments related to lease liabilities	*25*	**(3,220,806)**	(1,644,014)
Net cash used in financing activities		**(288,203,774)**	(305,395,403)
Net increase in cash and cash equivalents		**(151,876,348)**	19,524,680
Cash and cash equivalents at 1 October	*15*	**317,877,422**	298,352,742
Cash and cash equivalents at 30 September	*15*	**166,001,074**	317,877,422

Abu Dhabi National Hotels Compass Group

Combined statement of cash flows *(continued)*
for the year ended 30 September

	Notes	2023 AED	2022 AED
Non-cash transactions:			
Transfers of property, plant and equipment *(net)*	*14*	-	79,166
Additions of right of use assets	*11*	**63,001,331**	88,289,573
Disposals of right of use assets	*11*	**41,012,491**	27,106,432
Net liabilities assumed by related parties		**6,631**	79,166
Transfer of employees' end of service benefits	*14, 18*	**6,631**	-
Recognition of lease liabilities	*19*	**64,543,972**	82,897,440

The notes set out on pages 9 to 38 form an integral part of these combined financial statements.

The independent auditors' report is set out on pages 1 to 3.

1 Legal status and principal activities

Abu Dhabi National Hotels Company – Compass Middle East - LLC, Abu Dhabi National Hotels Compass Emirates (L.L.C) and AD N H Compass LLC (together called as the "Abu Dhabi National Hotels Compass Group" or "Reporting entity") is a joint venture between Abu Dhabi National Hotels Company P.J.S.C. (a public joint stock company incorporated in Abu Dhabi) and Compass Group International B.V Netherland (a wholly owned subsidiary of Compass Group PLC incorporated in the United Kingdom).

The principal activities of the Reporting entity is provision of onshore and offshore catering, cleaning and other services to hospitals, camps, onshore and offshore oilfields, defense / military, airports, shopping malls, universities and schools, palaces and other facilities. The Reporting entity is involved in trading in foodstuff and facilities management services.

The registered address of Abu Dhabi National Hotels Company – Compass Middle East - LLC established in Abu Dhabi on 3 October 2000 is P.O. Box: 109767, Abu Dhabi, United Arab Emirates.

The registered address of Abu Dhabi National Hotels Compass Emirates (L.L.C) established in Dubai on 3 October 2000 is P.O. Box: 31769, Dubai, United Arab Emirates.

The registered address of AD N H Compass LLC established in Abu Dhabi on 3 October 2000 is P.O. Box: 1897, Sharjah, United Arab Emirates.

2 Basis of preparation

(a) *Statement of compliance*

The Reporting entity mentioned in Note 1 above are legal entities which are jointly controlled by Abu Dhabi National Hotels Company P.J.S.C. (a public joint stock company incorporated in Abu Dhabi) and Compass Group International B.V Netherland (a wholly owned subsidiary of Compass Group PLC incorporated in the United Kingdom) as a joint venture and hence fall under common control. The CEO and CFO all the legal entities within the Reporting entity are the same. The combined financial statements were prepared to present for inclusion in the prospectus for the proposed listing on the Abu Dhabi Stock exchange through Initial Public offering. These financial statements have been prepared from the accounting records of these legal entities, which contain evidence of the transactions recorded locally and present the combined financial performance and position of the group.

These combined financial statements have been prepared in accordance with IFRS Standards as issued by the International Accounting Standards Board ("IFRS Standards").

The same shareholders of the reporting entity also holds 60% of Abu Dhabi National Hotels Compass KSA LLC together while the remaining 40% is being held by other shareholder, however the same is not combined in these financial statements and also geographic location of this entity is outside United Arab Emirates (i, e., Kingdom of Saudi Arabia).

(b) *Basis of measurement*

These financial statements have been prepared under the historical cost basis.

(c) *Functional and presentation currency*

These financial statements are presented in United Arab Emirates Dirham ("AED") which is the Reporting entity functional and presentation currency.

2 Basis of preparation *(continued)*

(d) Use of estimates and judgements

The preparation of combined financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements, estimates and assumptions in applying accounting policies that have the most significant effect on the amounts recognised in the combined financial statements is included in note 23.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all years presented in these combined financial statements.

(a) Revenue recognition

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. Under IFRS 15, revenue is measured based on the consideration specified in a contract with a customer. The Reporting entity recognises revenue when it transfers control over product or service to a customer.

The Company recognizes revenue from contracts with customers based on a five step model as set out in IFRS 15:

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

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

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

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

Step 5: Recognize revenue when (or as) the Company satisfies a performance obligation.

The Company satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

a) The Company's performance does not create an asset with an alternate use to the Company and the Company has as an enforceable right to payment for performance completed to date.

b) The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

3 Significant accounting policies *(continued)*

(a) Revenue recognition (continued)

c) The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs.

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

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Type of Product	**Nature and timing of satisfaction of performance obligations, including significant payment terms, revenue recognition under IFRS 15**
Manpower Services/ Fixed fee services	Manpower services refers to supply of manpower to the customers and the pricing is based on the number of manpower resources agreed. Fixed fee services refers to those contracts where the scope of work is fixed as per the contract and the pricing is based on the exact scope. Income from manpower and fixed fees services are recognized in the accounting period when the related services have been performed and accepted by the customers and there are no significant uncertainties regarding recovery of the consideration due, associated costs or the rejection of the services provided. Performance obligation in these revenue stream is being satisfied over the period in which the manpower services and fixed fee services are provided. Revenue is stated net of discounts and returns Revenue in accordance with IFRS 15 is recognized over the period in which these services are provided to the customers. Invoices are generally issued on a monthly basis unless otherwise specified in the contract alternatively and are usually payable in 30 to 90 days.
Food and beverage Supplies revenue / Non-food supplies Revenue Services/ Shop Sales/ Other revenue/ Catering services/ Laundry services	With regard to Sale of food and beverage supplies, Non-food supplies, shop sales, catering services and Laundry services, revenue is recognized when a customer obtains control of goods or the services is completed. Performance obligation in these revenue streams are satisfied once the customer obtains the control of goods/service provision is completed to the satisfaction of the customer. If the company acts in the capacity of an agent rather than as the principal in a transaction, then the revenue recognized is the net amount of costs incurred by the company. Revenue is recognized at a point in time for these goods and services. Invoices are issued once the goods are supplied or the service is delivered and are usually payable in 30 to 90 days.

(b) Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Historical cost includes expenditures that are directly attributable to the acquisition of the asset.

3 Significant accounting policies *(continued)*

(b) ***Property, plant and equipment*** *(continued)*

Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Reporting entity. Ongoing repairs and maintenance is expensed as incurred.

Depreciation

Items of property, plant and equipment are depreciated on a straight-line basis in statement of profit or loss and other comprehensive income over the estimated useful lives of each component.

The estimated useful lives for the current and comparative periods are as follows:

	Years
Leasehold improvements	5
Buildings	25
Operating equipment	3 to 5
Furniture, fixtures and office equipment	3 to 4
Motor vehicles	3 to 4

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

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss and other comprehensive income.

(c) ***Intangible assets***

Intangible assets are reported at cost less accumulated amortisation and impairment losses. Amortisation is charged on a straight-line basis over their estimated useful lives of 3 to 5 years. The estimated useful life and amortisation method are reviewed at each reporting date, with the effect of any changes in estimate being accounted for on a prospective basis. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Reporting entity and the cost of the item can be measured reliably.

(d) ***Capital work-in-progress***

Capital work-in-progress is stated at cost. All costs directly attributable to bringing the asset to the location and condition necessary for it to be used in the manner intended by management are included in the construction cost. No depreciation is charged on such assets until available for use. When commissioned, capital work-in-progress is transferred to the appropriate property, plant and equipment and intangible asset category and depreciated in accordance with the Reporting entity policies.

(e) ***Inventories***

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and those overheads that have been incurred in bringing the inventories to their present location and condition and is calculated using the weighted average costing method. Net realisable value represents the estimated selling price less all estimated costs to be incurred in marketing, selling and distribution.

3 Significant accounting policies *(continued)*

(f) Trade and other receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is due in one year or less (or in the normal operating cycle of the business if longer), these are classified as current assets. If not, these are presented as non-current assets. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

(g) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand, current accounts and deposits with banks with original maturities of three months or less, net of margin deposits, if any.

(h) Share capital

Share capital represents the nominal (par) value of shares that have been issued to the shareholder. The legal entities within the Reporting entity may issue shares up to its authorised share capital. Each share has a nominal (par) value of AED 1,000 for Abu Dhabi National Hotels Company Compass Middle East LLC and Abu Dhabi National Hotels Compass Emirates LLC and (par) value of AED 1,500 per share for ADNH Compass LLC. The legal entities within the Reporting entity may issue 1 share against each capital contribution (regardless of the amount contributed) or it may also elect to issue one share against multiple contributions received by the legal entities within the Reporting entity during a given reporting period.

(i) Dividends paid to shareholder

Dividends paid by the legal entities within the reporting entity to its shareholders are first paid out of distributable profits to the extent available.

(j) Employees' end of service benefits

Provision is made for the full amount of end of service benefits due to employees in accordance with the UAE Labour Law, for their period of service up to the end of the reporting period. The accrual relating to annual leave and leave passage is disclosed as a current liability, while the provision relating to end of service benefits is disclosed as a non-current liability.

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

With respect to UAE nationals employed by the Reporting entity, the Reporting entity makes contributions to the relevant UAE Government pension scheme calculated as a percentage of the employees' salaries. The obligations under these schemes are limited to these contributions, which are expensed when due.

(k) Leases – Right-of-use assets and lease liabilities

At inception of a contract, the Reporting entity assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

3 Significant accounting policies *(continued)*

(k) Leases – Right-of-use assets and lease liabilities (continued)

i. As a lessee

At the commencement or on modification of a contract that contains a lease component, the Reporting entity allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Reporting entity have elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

The Reporting entity recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Reporting entity by the end of the lease term or the cost of the right-of-use asset reflects that the Reporting entity will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. periodically reduced by impairment losses,

In addition, the right-of-use asset is if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Reporting entity incremental borrowing rate. Generally, the Reporting entity uses its incremental borrowing rate as the discount rate.

The Reporting entity determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Reporting entity are reasonably certain to exercise, lease payments in an optional renewal period if the Reporting entity are reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Reporting entity are reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Reporting entity estimate of the amount expected to be payable under a residual value guarantee, if the Reporting entity changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

3 Significant accounting policies *(continued)*

(k) Leases – Right-of-use assets and lease liabilities *(continued)*

i. As a lessee *(continued)*

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Reporting entity presents 'right-of-use assets' and 'lease liabilities' as separate line items in the statement of financial position.

Short-term leases and leases of low-value assets

The Reporting entity has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Reporting entity recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

ii. As a lessor

At inception or on modification of a contract that contains a lease component, the Reporting entity allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the Reporting entity acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Reporting entity makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Reporting entity considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Reporting entity are an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Reporting entity applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Reporting entity applies IFRS 15 to allocate the consideration in the contract.

The Reporting entity applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Reporting entity further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Reporting entity recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other revenue'.

Generally, the accounting policies applicable to the Reporting entity as a lessor in the comparative period were not different from IFRS 16 except for the classification of the sub-lease entered into during current reporting period that resulted in a finance lease classification.

3 Significant accounting policies *(continued)*

(l) Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers, and are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(m) Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. 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.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and expected net cost of continuing with the contract, which is determined based on incremental costs necessary to fulfill the obligation under the contract. Before a provision is established, the Reporting entity recognises an impairment loss on the assets associated with that contract.

(n) Foreign currencies

Transactions in currencies other than UAE Dirham ("AED") are recorded at the exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in profit or loss and other comprehensive income in the period in which they arise.

(o) Financial instruments

i. Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Reporting entity becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

3 Significant accounting policies *(continued)*

(o) Financial instruments *(continued)*

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Reporting entity changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

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

On initial recognition of an equity investment that is not held for trading, the Reporting entity may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL.

This includes all derivative financial assets. On initial recognition, the Reporting entity may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business Model Assessment

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

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Reporting entity management;
- The risk that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior period, the reasons for such sales and expectations about future sales activity.

3 Significant accounting policies *(continued)*

(o) Financial instruments *(continued)*

ii. Classification and subsequent measurement *(continued)*

Financial assets – Business Model Assessment *(continued)*

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Reporting entity continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest:

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

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

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Reporting entity claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets – Subsequent measurement and gains and losses

Financial asset at FVTPL
These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the statement of profit or loss and other comprehensive income.

Financial asset at amortised cost
These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in the statement profit or loss and other comprehensive income.

3 Significant accounting policies *(continued)*

(o) Financial instruments *(continued)*

ii. Classification and subsequent measurement *(continued)*

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Financial liabilities mainly comprise trade and other payables and due to related parties. These are initially recognised at fair value and subsequently stated at amortised cost using the effective interest method.

iii. Derecognition

Financial assets

The Reporting entity derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Reporting entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. The Reporting entity enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Reporting entity derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Reporting entity also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

iv. Offsetting

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

v. Impairment

Non-derivative financial assets

The Reporting entity recognizes loss allowances for ECLs on financial assets measured at amortised cost.

3 Significant accounting policies *(continued)*

(o) Financial instruments *(continued)*

v. Impairment *(continued)*

Non-derivative financial assets *(continued)*

The Reporting entity measures loss allowances at an amount equal to lifetime ECLs, except for the bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured at 12-month ECLs. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Reporting entity considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Reporting entity historical experience and informed credit assessment and including forward-looking information.

The Reporting entity assumes that the credit risk on a financial asset has increased significantly based on significant judgement. Specific factors management considers include the age of balance, background of the customers, existence of disputes, recent historical payment patterns and any other available information concerning the creditworthiness of the counterparty.

The Reporting entity considers a financial asset to be in default when the borrower is unlikely to pay its debt obligations to the Reporting entity in full, without recourse by the Reporting entity to actions such as realizing security (if any is held).

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Reporting entity are exposed to credit risk.

Measurement of ECLs

ECLs are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Reporting entity expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit impaired financial assets

At each reporting date, the Reporting entity assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired.

Evidence that a financial asset is credit impaired includes the following observable data:

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

3 Significant accounting policies *(continued)*

(o) Financial instruments *(continued)*

v. Impairment *(continued)*

Non-derivative financial assets *(continued)*

Evidence that a financial asset is credit impaired includes the following observable data *(continued):*

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Reporting entity on terms that the Reporting entity would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities FVOCI, the loss allowance is charged to profit or loss and is recognized in OCI.

Non - financial assets

At each reporting date, the Reporting entity reviews the carrying amounts of its non-financial assets (other than inventories) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in the statement of profit or loss and other comprehensive income. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

vi. Write-off

The gross carrying amount of a financial asset is written off when the Reporting entity has no reasonable expectations of recovering of financial asset in its entirety or a portion thereof. For corporate customers the Reporting entity individually makes an assessment with respect to the timing and amount of write off based on whether there is a reasonable expectation of recovering. The Reporting entity expects no significant recovery from the amount written off. However, financial assets that are good enough could still be subject to enforcement activities in order to comply with the Reporting entity procedure for recovery of amounts due.

4 Changes in significant accounting policies and disclosures

4.1 New and amended standards

A number of new standards are effective for annual periods beginning on or after 1 January 2022 and either application is permitted, however the Reporting entity has not early adopted or amended standards in preparing these financial statements.

The following amendments to existing standards and frameworks have been applied by the reporting entity in the preparation of financial statements.

- Onerous contracts – Cost of fulfilling a contract (Amendments to IAS 37)
- COVID 19 – Related rent concessions beyond 30 June 2021 – Amendments to IFRS 16
- Annual improvements to IFRS Standards 2018-2020
- Property, plant and equipment: Proceeds before intended use (Amendments to IFRS 16)
- Reference to the conceptual framework (Amendments to IFRS 3)

The adopting of the above did not result in any changes to previously reported financial statements of the Reporting entity.

4.2 New and amended standards issued but not yet effective

At the date of these financial statements, the following standards, amendments and interpretations have not been effective and have not been early adopted:

Standards issued but not yet effective	**Effective for annual periods beginning on or after**
Classification of Liabilities as Current or Non-current – Amendments to IAS 1	1 January 2023
IFRS 17 Insurance contracts and amendments to IFRS 17 Insurance contracts	1 January 2023
Disclosure of Accounting policies – Amendments to IAS 1 and IFRS Practice Statement 2)	1 January 2023
Definition of Accounting Estimate (Amendments to IAS 8)	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	1 January 2023
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Effective date deferred indefinitely.

5 Financial risk management

Overview

The Reporting entity risk management policies are established to identify and analyse the risks faced by the Reporting entity, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Reporting entity activities. The Reporting entity, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Reporting entity Board of Directors oversees how management monitors compliance with the Reporting entity management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Reporting entity. The Reporting entity has exposure to the following risks from its use of financial instruments:

5 Financial risk management *(continued)*

Overview (continued)

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Reporting entity exposure to each of the above risks, the Reporting entity objectives, policies and processes for measuring and managing risk, and the Reporting entity management of capital. Further quantitative disclosures are included in note 22 to these financial statements.

The senior management has overall responsibility for the establishment and oversight of the Reporting entity risk management framework and is responsible for developing and monitoring the Reporting entity risk management policies.

(a) Credit risk

Credit risk is the risk of financial loss to the Reporting entity if a customer or counter party to a financial instrument fails to meet its contractual obligations and arises principally from the Reporting entity cash balances held with bank, receivables from customers and related parties.

The Reporting entity exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Reporting entity customer base, including the default risk of the industry and country, in which customers operate, has less of an influence on credit risk. Refer to note 13 and 22 for concentration of credit risk.

The Reporting entity establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main component of this allowance is a specific loss component that relates to individually significant exposures.

Cash and cash equivalents are held with high-credit-quality financial institutions.

(b) Liquidity risk

Liquidity risk is the risk that the Reporting entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Reporting entity approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Reporting entity reputation.

The Reporting entity ensures that it has sufficient cash on demand to meet expected operational expenses for a short term period, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Reporting entity income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

The Reporting entity does not have any borrowings and accordingly is not adversely affected by interest rate risks.

5 Financial risk management *(continued)*

(c) ***Market risk*** *(continued)*

Currency risk

Currency risk is limited as the Reporting entity transactions are primarily denominated in USD and AED. The stability of the rate of exchange of AED to USD has been maintained since 1980.

Price risk

Price risk relates to the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Reporting entity does not have investments in securities and is not exposed to equity price risk.

Capital Risk Management

The Reporting entity defines capital as share capital, statutory reserve and retained earnings. The primary objective of the Reporting entity capital management are to avoid permanent impairment of capital in order to provide returns for the shareholders. To maintain or adjust the capital structure, the Reporting entity may align the dividend payment to shareholders, return capital to shareholders, issue new shares, obtain new borrowings or sell assets to reduce borrowings. The overall objective remains unchanged during the year ended 30 September 2023. The Reporting entity has a combination of debt and equity to maintain a sound capital position to support the investment activities of the Reporting entity. Activities are assessed based on their risk and rewards and can be financed through debt or equity. To date, debt has been utilised on a conservative basis so as to enhance returns to investors both in a tax efficient and risk adverse manner.

6 Revenue

6.1 Type of revenue

	2023 AED	2022 AED
Catering services	**976,080,337**	1,147,120,257
Manpower services	**370,310,130**	421,086,696
Fixed fee services	**162,479,243**	164,511,400
Food and beverage supplies revenue	**254,760,395**	193,225,803
Nonfood supplies revenue	**19,741,540**	38,900,226
Laundry services	**11,479,485**	15,817,658
Shop sales	**3,172,733**	4,875,744
Other revenues	**19,469,296**	4,216,664
	1,817,493,159	1,989,754,448

6.2 ***Timing of revenue recognition***

	2023	2022
Services transferred over time	**532,789,373**	585,598,096
Services transferred at a point in time	**1,284,703,786**	1,404,156,352
	1,817,493,159	1,989,754,448

6 Revenue *(continued)*

6.3 Geographical markets

All revenues are generated from UAE

7 Cost of revenue

	2023 AED	2022 AED
Staff costs	**610,527,031**	713,723,086
Costs of materials	**757,814,742**	745,420,260
Rent expenses (short term or low values)	**21,281,059**	40,613,955
Transportation	**21,371,715**	29,062,664
Maintenance expenses	**25,668,080**	30,451,641
Depreciation of right-of-use assets	**41,094,867**	29,500,073
Hire charges	**5,916,942**	17,427,485
Other cost of sales	**11,032,175**	14,524,375
Depreciation of property, plant and equipment	**10,417,733**	9,237,300
License fees	**538,416**	11,419,311
Insurance	**619,909**	1,130,058
Amortisation of intangible assets	**-**	17,902
Vehicle hire	**58,206**	37,428
Others	**17,562,549**	31,441,850
	1,523,903,424	1,674,007,388

8 Administrative expenses

	2023 AED	2022 AED
Staff costs	**31,509,633**	55,079,849
Maintenance expenses	**8,807,863**	11,572,686
License fees	**4,928,937**	3,355,149
Other cost of sales	**1,741,435**	2,265,803
Depreciation of right-of-use assets	**2,088,146**	2,238,100
Depreciation of property, plant and equipment	**598,942**	505,718
Rent expenses	**200,573**	431,707
Amortisation of intangible assets	**72,800**	273,632
Transportation	**76,375**	35,106
Hire Charges	**6,750**	9,500
Vehicle hire	**5,692**	-
Insurance	**420,000**	-
Others	**69,977**	531,712
	50,527,123	76,298,962

9 Property, plant and equipment

	Leasehold improvements AED	Buildings AED	Operating equipment AED	Furniture, fixtures and office equipment AED	Motor vehicles AED	Capital work-in-progress AED	Total AED
Cost							
At 1 October 2021	2,259,944	7,464,218	80,965,455	21,342,649	2,819,998	598,211	115,450,475
Additions	580,000	-	4,609,579	6,537,241	-	1,698,422	13,425,242
Transfers, net	-	-	(714)	714	-	-	-
Disposals	(186,540)	(1,67,704)	(18,547,363)	(2,486,539)	(311,000)	(559,293)	(22,258,439)
At 1 October 2022	2,653,404	7,296,514	67,026,957	25,394,065	2,508,998	1,737,340	106,617,278
Additions	-	-	6,370,906	6,322,810	-	841,136	13,534,852
Transfers, net	-	-	-	-	-	-	-
Disposals	-	(7,296,514)	(13,160,149)	(2,878,953)	(466,000)	(1,646,544)	(25,448,160)
At 30 September 2023	**2,653,404**	-	**60,237,714**	**28,837,922**	**2,042,998**	**931,932**	**94,703,970**
Accumulated depreciation							
At 1 October 2021	2,228,310	7,058,320	71,865,426	14,453,675	2,795,415	-	98,401,146
Charge for the year	31,635	292,977	4,460,957	4,932,866	24,583	-	9,743,018
Transfers, net	-	-	(715)	713	-	-	(2)
Disposals	(186,540)	(54,783)	(18,369,074)	(2,150,412)	(311,000)	-	(21,071,809)
At 1 October 2022	2,073,405	7,296,514	57,956,594	17,236,842	2,508,998	-	87,072,353
Charge for the year	116,000	-	6,169,246	4,731,429	-	-	11,016,675
Transfers, net	-	-	-	-	-	-	-
Disposals	-	(7,296,514)	(13,081,942)	(2,695,161)	(466,000)	-	(23,539,617)
At 30 September 2023	**2,189,405**	-	**51,043,898**	**19,273,110**	**2,042,998**	-	**74,549,411**
Net carrying amount							
At 30 September 2022	579,999	-	9,070,363	8,157,223	-	1,737,340	19,544,925
At 30 September 2023	**463,999**	-	**9,193,816**	**9,564,812**	-	**931,932**	**20,154,559**

10 Intangible assets

	Software AED
Cost	
At 1 October 2021	14,078,261
Additions	-
Disposals	-
At 1 October 2022	14,078,261
Additions	289,550
Disposals	-
At 30 September 2023	**14,367,811**
Accumulated amortisation	
At 1 October 2021	13,717,944
Charge for the year	291,533
Disposals	-
At 1 October 2022	14,009,477
Charge for the year	72,800
Disposals	-
At 30 September 2023	**14,082,277**
Net carrying amount	
At 30 September 2022	68,784
At 30 September 2023	**285,534**

Intangible assets consists of software licenses procured from third parties. Amortisation expenses have been recorded in administrative expenses reported in statement of profit or loss and other comprehensive income.

11 Right-of-use assets*

	AED
Cost	
At 1 October 2021	69,482,006
Additions	88,289,573
Disposals	(27,106,432)
At 1 October 2022	130,665,147
Additions	**63,001,331**
Disposals	**(41,012,491)**
At 30 September 2023	**152,653,987**

11 Right-of-use assets* *(continued)*

	AED
Accumulated depreciation	
At 1 October 2021	32,636,008
Charge for the year	31,738,173
Disposals	(19,535,476)
At 1 October 2022	44,838,705
Charge for the year	**43,183,013**
Disposals	**(40,475,831)**
At 30 September 2023	**47,545,887**
Net carrying amount	
At 30 September 2022	85,826,442
At 30 September 2023	**105,108,100**

*The right-of use-asset substantially pertains to a single asset class which is 'building lease' and the remaining leases are insignificant in value.

12 Inventories

	2023 AED	2022 AED
Food supplies	**10,086,778**	10,734,803
Operating supplies	**3,145,751**	4,962,307
	13,232,529	15,697,110

13 Trade and other receivables

	2023 AED	2022 AED
Trade receivables	**637,023,894**	580,329,610
Allowance for doubtful receivables	**(31,617,237)**	(18,249,704)
	605,406,657	562,079,906

	2023 AED	2022 AED
Accrued income	**24,725,515**	44,526,611
Rebates receivables	**34,147,304**	32,512,027
Prepayment	**12,372,010**	33,459,048
Other receivables	**10,952,375**	9,367,635
	687,603,861	681,945,227

13 Trade and other receivables *(continued)*

The average credit period on sale of goods or services is 45 - 60 days. No interest is charged on trade and other receivables.

The Reporting entity has adopted a policy of dealing with only creditworthy counterparties. Adequate credit assessment is made before entering into a contract with a customer. Out of the total trade receivables balance at the end of the year, AED 424,323,876 representing 66% of total trade receivables *(2022: AED 355,182,878 representing 66% of total trade receivables)* is due from four major customers. The Reporting entity considers these customers to be reputable and creditworthy.

Included in the Reporting entity trade receivable balance are debtors with a carrying amount of AED 402,216,851 *(2022: AED 242,474,832)* which are past due at the reporting date for which the Reporting entity have not recognized a provision for doubtful receivable as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Reporting entity does not hold any collateral over these balances.

The movement in the allowance for doubtful receivables during the year was as follows:

	2023 AED	2022 AED
Opening balance	**18,249,704**	18,520,145
Impairment loss during the year	**17,576,077**	9,308
Write off	**(4,208,544)**	(279,749)
Closing balance	**31,617,237**	18,249,704

<u>Trade receivable ageing *(gross)*:</u>

	2023 AED	2022 AED
Not due	**232,807,043**	320,316,099
Due for 1 to 60 days	**154,483,556**	128,980,185
Due for 61 to 90 days	**62,962,075**	31,616,316
Due for 91 to 120 days	**43,576,818**	24,715,819
Due for 121 to 365 days	**133,177,508**	54,884,397
More than 365 days	**10,016,894**	19,816,794
	637,023,894	580,329,610

14 Related party transactions and balances

Related parties comprise the Shareholders of the Reporting entity, the directors and those enterprises over which the Shareholders, the directors or the Reporting entity can exercise significant influence or which can significantly influence the Reporting entity.

In the ordinary course of business, the Reporting entity receives goods and services from, and provides goods and services to, such enterprises on rates, terms and conditions agreed between the parties.

14 Related party transactions and balances *(continued)*

The volume of related party transactions, outstanding balances and related expenses and income for the year are as follows:

(a) *Transaction with key management personnel*

The key management personnel compensation included under staff costs is set out below:

	2023 AED	2022 AED
Short-term employee benefits (salaries and other allowances)	**8,725,144**	8,620,711
Post-employment benefits (long term)	**416,890**	625,383

(b) *Significant related party transactions*

	2023 AED	2022 AED
Revenue	**1,938,750**	1,265,082
Purchase of goods and services	**48,312,454**	60,268,369
Transfers of property, plant and equipment *(net)*	-	79,166
Transfer of end of service benefits to a related party *(note 18)*	**6,631**	-
Manpower services	**(25,210,000)**	11,722,948
Maintenance charges	-	318,559

Also refer to note 24 'Contingent liabilities' for certain arrangements with a related party.

All the above transactions are with entities which are being controlled by the shareholders.

14 Related party transactions and balances *(continued)*

(c) Due from related parties

	Nature of relationship	**2023 AED**	2022 AED
Compass Arabia Co. Ltd	Entity controlled by shareholder	**805**	17,813
Compass Catering Services W.L.L.	Entity controlled by shareholder	**11,139**	5,334,052
Compass Group Holding PLC, UK	Entity controlled by shareholder	**-**	344,795
Abu Dhabi National Hotels ~~Entity controlled by shareholder~~	Entity controlled by shareholder	**78,238**	87,665
Al Ghazal Transport Company	Entity controlled by shareholder	**114,941**	65,952
The Ritz-Carlton Abu Dhabi, Grand Canal	Entity controlled by shareholder	**1,450,650**	-
Al Diar Dana Hotel	Entity controlled by shareholder	**1,897**	1,897
Al Diar Sawa Hotel Apartments	Entity controlled by shareholder	**4,800**	3,200
Al Diar Mina Hotel	Entity controlled by shareholder	**3,287**	1,643
Le Meridien Abu Dhabi	Entity controlled by shareholder	**8,241**	16,483
Sheraton Abu Dhabi Hotel & Resort	Entity controlled by shareholder	**9,743**	8,063
Radisson Blu Hotel Abu Dhabi Al Ain	Entity controlled by shareholder	**18,796**	12,977
Park Hyatt Abu Dhabi Hotels and Villas	Entity controlled by shareholder	**14,131**	32,175
Radisson Blu Hotel and Resort Abu Dhabi	Entity controlled by shareholder	**6,580**	8,281
		1,723,248	5,934,996

(d) Due to related parties

	Nature of relationship	**2023 AED**	2022 AED
Al Ghazal Transport Company	*Entity controlled by shareholder*	**17,582,365**	17,907,945
Sunshine Travel & Tours	*Entity controlled by shareholder*	**3,628,957**	4,819,606
Abu Dhabi National Hotels Company P.J.S.C	*Shareholder*	**1,790,810**	502,594
The Ritz-Carlton Abu Dhabi, Grand Canal	*Entity controlled by shareholder*	**331**	26,381
Al Diar Dana Hotel	*Entity controlled by shareholder*	**-**	675
Compass Group Singapore	*Entity controlled by shareholder*	**161,590**	-
Compass Group Holding PLC	*Entity controlled by shareholder*	**802,849**	-
		23,966,902	23,257,201

15 Cash and cash equivalents

	2023 AED	2022 AED
Cash in hand	**1,057,363**	1,287,771
Cash at bank		
Current accounts	**164,943,711**	316,589,651
	166,001,074	317,877,422

16 Share capital

	Abu Dhabi National Hotels Company Compass Middle East LLC		Abu Dhabi National Hotels Compass Emirates LLC		ADNH Compass LLC		Total	
	Number of shares	2023 and 2022 AED	Number of shares	2023 and 2022 AED	Number of shares	2023 and 2022 AED	Number of shares	2023 and 2022 AED
Authorised, issued and fully paid*	20,000	20,000,000	300	300,000	100	150,000	20,400	20,450,000

* Par value AED 1,000 per share for Abu Dhabi National Hotels Company Compass Middle East LLC & Abu Dhabi National Hotels Compass Emirates LLC; par value AED 1,500 per share for ADNH Compass LLC

The share capital is distributed as follows:

	Number of Shares	2023 and 2022 AED
Abu Dhabi National Hotels Company P.J.S.C	10,404	10,429,500
Compass Group International B.V	9,996	10,020,500
	20,400	20,450,000

All shares rank equally with regard to the Reporting entity residual assets. Holder of these shares is entitled to dividends as declared from time to time and entitled to one vote per share at general meetings of the Reporting entity.

During the year ended 30 September 2023; the legal entities within the Reporting entity have paid a dividend of AED 239,992,814 *(2022: AED 262,532,974)*.

The dividend per share paid by each of the legal entity is as follows

Legal entity name	Total shares	Total dividend paid	Dividend per share
Abu Dhabi National Hotels Company - Compass - Middle East LLC	20,000	214,350,828	10,718
Abu Dhabi National Hotels Compass Emirates (L.L.C)	300	23,881,614	79,605
AD N H Compass LLC	100	1,760,372	17,604

16 Share capital *(continued)*

Legal entity name	Total shares	Total dividend paid	Dividend per share
Abu Dhabi National Hotels Company - Compass - Middle East LLC	20,000	258,404,034	12,920
Abu Dhabi National Hotels Compass Emirates (L.L.C)	300	2,269,973	7,567
AD N H Compass LLC	100	1,858,967	18,590

17 Statutory reserve

In accordance with the Reporting entity's Articles of Association and in line with the provisions of the UAE Federal Law No. 31 of 2021, the legal entities within the Reporting entity is required to transfer annually to a legal reserve account an amount equal to 5% of its annual profits until such time as it equals 50% of the paid up share capital for each of the combined entities. This reserve is not available for distribution.

18 Provision for employees' end of service benefits

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

	2023 AED	2022 AED
At 1 October	**117,518,032**	119,423,368
Charge for the year	**23,163,874**	31,077,378
Payment during the year	**(30,416,252)**	(32,982,714)
Transfers from a related party *(note 14)*	**6,631**	-
At 30 September	**110,272,285**	117,518,032

Some employees have been transferred from a related company and accordingly, the provision for end of service benefits for these employees was also transferred.

19 Lease liabilities

The terms and conditions of outstanding lease liabilities are as follows:

	2023 AED	2022 AED
At 1 October	**76,605,240**	34,926,215
Additions during the year	**64,580,274**	82,897,440
Finance cost	**3,220,806**	1,644,014
Repayment during the year	**(48,210,960)**	(42,862,429)
At 30 September	**96,195,360**	76,605,240

	Currency	**Interest rate**	**Year of Maturity**	**30 September 2023 AED**	30 September 2022 AED
Lease liabilities	AED	2.6% - 3.8%	2023 – 2028	**96,195,360**	76,605,240

19 Lease liabilities *(continued)*

During the year an amount of AED 44,990,154 *(2022: AED 41,218,415)* was paid towards principal and AED 3,220,806 *(2022: AED 1,644,014)* was paid towards interest *(Note 25)*.

Lease liabilities is classified as follows:

	2023 AED	2022 AED
Non-current portion	**56,663,360**	46,570,108
Current portion	**39,532,000**	30,035,132
	96,195,360	76,605,240

The contractual cash flows for these lease liabilities are as follows:

		Contractual cash flows			
	Carrying Value AED	Less than 1 Year AED	Between 1 - 5 years AED	Later than 5 Years AED	Total AED
30 September 2023					
Lease liabilities	**96,195,360**	**39,532,000**	**56,624,545**	**9,503,159**	**105,659,704**
30 September 2022					
Lease liabilities	76,605,240	30,068,171	43,838,103	9,214,180	83,120,454

20 Trade and other payables

	2023 AED	2022 AED
Trade payables	**223,478,856**	283,905,486
Accrued expenses	**222,756,176**	302,480,879
Other payables	**63,341,091**	52,144,622
	509,576,123	638,530,987

The average credit period on purchases of goods is 60 - 90 days. No interest is charged on the trade payables. The Reporting entity have financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

21 Profit for the year

Profit for the year is stated after charging:

	2023 AED	2022 AED
Staff costs	**641,796,910**	768,802,935
Depreciation of right of use assets	**43,183,013**	31,738,173
Depreciation of property, plant and equipment	**11,016,675**	9,743,018
Amortisation of intangible assets	**72,800**	291,533

22 Financial instruments

Capital risk management

The Reporting entity manages its capital to ensure that it will be able to continue as a going concern while maximizing the return on equity. The Reporting entity overall strategy remains unchanged from 2022.

Credit risk

Exposure to credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Reporting entity. The Reporting entity have no significant credit risk as a result of dealing with third parties. Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central banks of the respective countries. Trade receivables have a credit of 45 - 60 days and there has been no history of default. Amount due from related parties are recoverable on demand as and when the Reporting entity needs funding.

Concentration of credit risk arise when a number of counter-parties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Reporting entity performance to developments affecting a particular industry or geographic location. All balances with banks represent local commercial banks.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Note	**2023** **AED**	2022 AED
Trade and other receivables (excluding accrued income)	*13*	**650,506,336**	603,959,568
Due from related parties	*14*	**1,723,248**	5,934,996
Cash at bank	*15*	**164,943,711**	316,589,651
		817,173,295	926,484,215

Amounts due from related parties
Related parties have been transacting with the Reporting entity since its inception and none of its balances have been written off or are credit-impaired at the reporting date.

As at the reporting date, management believes that impairment loss in relation to amount due from related parties is immaterial and accordingly has not established an allowance. The Reporting entity does not require collateral in respect of its amount due from related parties. The Reporting entity does not have amounts for which no loss allowance is recognised because of collateral.

Cash and bank balances
The Reporting entity held cash and cash equivalents of AED 166,001,074 at 30 September 2023 *(30 September 2022: AED 317,877,422)*. The cash and cash equivalents are held with banks, which are rated A to Aa3, based on Moody's ratings.

Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Reporting entity considers that its cash and cash equivalents have a low credit risk based on the external credit ratings of the counterparties.

22 Financial instruments *(continued)*

Liquidity risk

The maturity profile of financial liabilities at the end of the reporting period based on existing contractual repayment arrangements was as follows:

	Note	Carrying Amount AED	Less than 1 year AED	1 – 5 years AED
At 30 September 2023				
Trade and other payables	*20*	**509,576,123**	**509,576,123**	-
Due to related parties	*14*	**23,966,902**	**23,966,902**	-
Lease liabilities	*19*	**96,195,360**	**43,771,199**	**61,888,505**
		629,738,385	**577,314,224**	**61,888,505**
At 30 September 2022				
Trade and other payables	*20*	638,530,987	638,530,987	-
Due to related parties	*14*	23,257,201	23,257,201	-
Lease liabilities	*19*	76,605,240	32,255,938	50,864,516
		738,393,428	694,044,126	50,864,516

The amounts are gross and undiscounted, and include estimated interest payments.

Fair value of financial assets and liabilities

The Reporting entity measures all its financial assets and financial liabilities at amortised cost. Management considers that the fair values of financial assets and financial liabilities approximate their carrying values as stated in the consolidated financial statements. When measuring the fair value of an asset or a liability, the Reporting entity uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

23 Accounting estimates and judgements

In the process of applying the Reporting entity accounting policies, which are described in note 3, management has made the following judgement that has the most significant effect on the amounts of assets and liabilities recognised in the financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

23 Accounting estimates and judgements *(continued)*

Impairment on receivables

The Reporting entity reviews its receivables to assess impairment at least on an annual basis. An estimate of the collectible amount of trade and other receivables is made when collection of the full amount is no longer probable.

This determination of whether the receivables are impaired, entails Management evaluating the specific credit and liquidity position of the customers and related parties and their historical recovery rates, including review of the current economic environment. The difference between the estimated collectible amount and the recorded amount is recognised as an expense in profit or loss. Any difference between the amounts expected and the amounts actually collected in the future periods is recognised in profit or loss at the time collection. Impairment provision of trade and other receivables at 30 September 2023 is AED 17,576,077 *(2022: AED 18,249,704)*.

Useful lives of property, plant and equipment

Management assigns useful lives and residual values to the items of property, plant and equipment based on the intended use of the assets and the expected economic lives of those assets. Subsequent changes in circumstances such as technological advances or prospective utilisation of the assets concerned could result in the actual useful lives or residual values differing from the initial estimates. Management has reviewed the residual values and useful lives of the major items of property, plant and equipment and have determined that no adjustment is necessary.

Impairment of property, plant and equipment

Property, plant and equipment are assessed for impairment based on assessment of cash flows on individual cash generating units when there is indication of impairment. Cash flows are determined based on contractual agreements and estimations over the useful life of the assets and discounted using a range of discounting rates representing the rate of return on such cash generating units. The net present values are compared to the carrying amounts to assess any probable impairment

Impairment on inventory obsolescence

Inventories are stated net of allowance for obsolescence. Management has considered the allowance required for inventory obsolescence based on the current economic environment and past obsolescence history. Management believes that no impairment is required as of 30 September 2022 and 2023.

Inventories

The Reporting entity have engaged Seven Seas Storage Management *(2021: Mohebi Logistics)*, a third party logistics service provider, for warehousing and delivery management services. As per the terms of the agreement, the service provider is not entitled to create any charge, lien or other encumbrance on the goods and legal title in the goods will at all times vest with the service provider until the goods are handed over to the Reporting entity at the delivery point. The service provider has also taken out and maintained insurance policies at its expense during the term of this agreement. Management has reviewed the detailed criteria under IAS 2 Inventories, the definition of an asset under the Framework and the terms of the agreement with Seven Seas Storage Management *(2021: Mohebi Logistics)*and is satisfied that the cost of inventories held at the Seven Seas Storage Management's *(2021: Mohebi Logistics')* warehouse at year end should not be recorded in the financial statements.

Revenue on expired contracts

The Reporting entity is in the process of renewing certain contracts which have expired as at the end of the reporting period. The Reporting entity has reviewed the detailed criteria under IFRS 15 *Revenue* and is satisfied that it is appropriate to recognise revenue for such cases on the basis of signed meal sheets and man days in addition to other relevant documentary / ongoing negotiations. Management expects formal approval of these contracts to be highly probable.

24 Contingent liabilities

	2023 AED	2022 AED
Performance guarantees	**211,066,462**	209,167,915

The above performance guarantees were issued in the normal course of business. These include an amount of AED 9,400 *(2022: AED 9,400)* issued by a related party on behalf of the Reporting entity.

25 Leases

Leases in which the Reporting entity *is a lessee*

Information about leases for which the Reporting entity are a lessee is presented below.

(a) Right of use assets

Refer to note 11 for movement in right-of-use assets during the year ended 30 September 2023.

(b) Amounts recognised in statement of profit or loss

	2023 AED	2022 AED
Depreciation of right-of-use assets	**43,183,013**	31,738,173
Interest on lease liabilities	**3,220,806**	1,644,014

(c) Amounts recognised in statement of cash flows

	2023 AED	2022 AED
Total cash outflow for leases	**48,210,960**	40,899,392

Leases in which the Reporting entity *is a lessor*

The Reporting entity does not have any leases in the capacity of lessor.

26 Subsequent events

Subsequent to the year end, Abu Dhabi National Hotels Company P.J.S.C. (a public joint stock company incorporated in Abu Dhabi) acquired the remaining 49% stake in the Reporting entity, thereby becoming the sole shareholder with 100% ownership. In conjunction with the Reporting Entity, Abu Dhabi National Hotels Company P.J.S.C is in the process of establishing an intermediate holding company for the Reporting entity, which is planned to be listed through an IPO on the Abu Dhabi Stock Exchange.

27 Date of authorisation for issue

The financial statements were approved and authorised for issue by the Board of Directors in their meeting held on 05 AUG 2024

Abu Dhabi National Hotels Company – Compass Middle East - LLC, Abu Dhabi National Hotels Compass Emirates (L.L.C) and AD N H Compass LLC
(ABU DHABI NATIONAL HOTELS COMPASS GROUP)

Combined financial statements
30 September 2022

Principal business address:
P.O. Box: 109767
Abu Dhabi
United Arab Emirates

Abu Dhabi National Hotels Compass Group

Combined financial statements

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KPMG Lower Gulf Limited
Level 19, Nation Tower 2
Corniche Road, P.O. Box 7613
Abu Dhabi, United Arab Emirates
Tel. +971 (2) 401 4800, www.kpmg.com/ae

Independent auditors' report

To the Shareholders of Abu Dhabi National Hotels Company – Compass Middle East - LLC, Abu Dhabi National Hotels Compass Emirates (L.L.C) and AD N H Compass LLC

Report on the Audit of the Financial Statements

Opinion

We have audited the combined financial statements of Abu Dhabi National Hotels Company – Compass Middle East - LLC, Abu Dhabi National Hotels Compass Emirates (L.L.C) and AD N H Compass LLC (the "Reporting entity"), which comprise the combined statement of financial position as at 30 September 2022, the combined statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the combined financial position of the Reporting entity as at 30 September 2022, and its combined financial performance and its combined cash flows for the year then ended in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Combined Financial Statements* section of our report. We are independent of the Reporting entity 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 combined financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter Basis of Preparation

We draw attention to note 2 to the combined financial statements, which describes their basis of preparation, including the approach to and the purpose of preparing them. The combined financial statements were prepared for the purposes of the Reporting entity's proposed listing on the Abu Dhabi Securities Exchange through an Initial Public offering. Our opinion is not modified in respect of this matter.

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

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

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

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

Auditors' Responsibilities for the Audit of the Combined Financial Statements

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

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

- Identify and assess the risks of material misstatement of the combined 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 Reporting entity's internal control.

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

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

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

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

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

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.

KPMG Lower Gulf Limited

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

Date: 05 AUG 2024

Abu Dhabi National Hotels Compass Group

Statement of combined financial position as at

	Note	**30 September 2022 AED**	30 September 2021 AED	1 October 2020 AED
Assets				
Non-current assets				
Property, plant and equipment	*9*	**19,544,925**	17,049,329	19,667,278
Intangible assets	*10*	**68,784**	360,317	669,754
Right-of-use assets	*11*	**85,826,442**	36,845,998	38,075,373
Total non-current assets		**105,440,151**	54,255,644	58,412,405
Current assets				
Inventories	*12*	**15,697,110**	19,631,227	24,222,726
Trade and other receivables	*13*	**681,945,227**	724,205,476	694,377,906
Due from related parties	*14*	**5,934,996**	7,060,926	11,784,871
Cash and cash equivalents	*15*	**317,877,422**	298,352,742	239,638,304
Total current assets		**1,021,454,755**	1,049,250,371	970,023,807
Total assets		**1,126,894,906**	1,103,506,015	1,028,436,212
Equity and liabilities				
Equity				
Share capital	*16*	**20,450,000**	20,450,000	20,450,000
Statutory reserve	*17*	**10,225,000**	10,225,000	10,225,000
Retained earnings		**240,308,446**	262,848,607	163,426,997
Total equity		**270,983,446**	293,523,607	194,101,997
Liabilities				
Non-current liabilities				
Provision for employees' end of service benefits	*18*	**117,518,032**	119,423,368	112,765,799
Lease liabilities	*19*	**46,570,108**	10,058,400	16,056,883
Total non-current liabilities		**164,088,140**	129,481,768	128,822,682
Current liabilities				
Trade and other payables	*20*	**638,530,987**	632,503,748	670,105,888
Due to related parties	*14*	**23,257,201**	23,129,077	18,012,417
Lease liabilities	*19*	**30,035,132**	24,867,815	17,393,228
Total current liabilities		**691,823,320**	680,500,640	705,511,533
Total liabilities		**855,911,460**	809,982,408	834,334,215
Total equity and liabilities		**1,126,894,906**	1,103,506,015	1,028,436,212

To the best of our knowledge the combined financial statements of the Reporting entity fairly presents, in all material respects, the financial position, results of operations and cash flows of the Reporting entity as of and for the year ended 30 September 2022.

Chairman *CEO-Middle East*

The notes set out on pages 9 to 39 form an integral part of these financial statements.

The independent auditors' report is set out on pages 1 to 3.

Abu Dhabi National Hotels Compass Group

Combined statement of profit or loss and other comprehensive income
for the year ended 30 September

	Note	**2022 AED**	2021 AED
Revenue	*6*	**1,989,754,448**	1,816,956,421
Cost of revenue	*7*	**(1,674,007,388)**	(1,491,982,237)
Gross profit		**315,747,060**	324,974,184
Administrative expenses	*8*	**(76,298,964)**	(63,699,558)
Impairment loss on trade receivables	*13*	**(9,308)**	(243,240)
Other income / expenses		**2,195,106**	2,289,558
Finance income		**2,933**	6,104
Finance costs		**(1,644,014)**	(794,073)
Profit for the year		**239,992,813**	262,532,975
Other comprehensive income		**-**	-
Total comprehensive income for the year		**239,992,813**	262,532,975

The notes set out on pages 9 to 39 form an integral part of these combined financial statements.

The independent auditors' report is set out on pages 1 to 3.

Abu Dhabi National Hotels Compass Group

Combined statement of changes in equity
for the year ended 30 September

	Share capital AED *(note 16)*	Statutory reserve AED *(note 17)*	Retained earnings AED	Total equity AED
Balance at 1 October 2020	20,450,000	10,225,000	163,426,997	194,101,997
Profit for the year	-	-	262,532,975	262,532,975
Dividends *(note 16)*	-	-	(163,111,365)	(163,111,365)
Balance at 30 September 2021	20,450,000	10,225,000	262,848,607	293,523,607
Balance at 1 October 2021	**20,450,000**	**10,225,000**	**262,848,607**	**293,523,607**
Profit for the year	-	-	**239,992,813**	**239,992,813**
Dividends *(note 16)*	-	-	**(262,532,974)**	**(262,532,974)**
Balance at 30 September 2022	**20,450,000**	**10,225,000**	**240,308,446**	**270,983,446**

The notes set out on pages 9 to 39 form an integral part of these combined financial statements.

The independent auditors' report is set out on pages 1 to 3.

Abu Dhabi National Hotels Compass Group

Combined statement of cash flows
for the year ended 30 September

	Note	2022 AED	2021 AED
Cash flows from operating activities			
Profit for the year		**239,992,813**	262,532,975
Adjustments for:			
Depreciation of property, plant and equipment	*9*	**9,743,018**	12,984,520
Loss on disposal of property, plant and equipment	*9*	**(1,672,090)**	108,429
Amortisation of intangible assets	*10*	**291,533**	309,437
Depreciation of right-of-use assets	*11*	**31,738,173**	23,811,023
Impairment loss on trade receivables	*13*	**9,308**	243,240
Finance income		**(2,933)**	(6,104)
Provision for employees' end of service benefits	*18*	**31,077,378**	22,917,065
Finance cost		**1,644,014**	794,073
		312,821,214	323,694,658
Changes in:			
- Inventories	*12*	**3,934,117**	4,591,499
- Trade and other receivables	*13*	**44,429,764**	(30,070,810)
- Due from related parties	*14*	**23,204,418**	(16,706,161)
- Trade and other payables	*20*	**6,027,239**	(37,602,140)
- Due to relates parties	*14*	**(21,950,366)**	26,535,091
Cash generated from operations		**368,466,386**	270,442,137
Employees' end of service benefits paid	*18*	**(32,982,714)**	(16,247,822)
Net cash generated from operating activities		**335,483,672**	254,194,315
Cash flows from investing activities			
Acquisition of property, plant and equipment	*9*	**(13,425,242)**	(10,778,145)
Proceeds from sale of property, plant and equipment	*9*	**2,858,720**	303,146
Interest received		**2,933**	6,104
Net cash used in investing activities		**(10,563,589)**	(10,468,895)
Cash flows used in financing activities			
Dividends paid	*16*	**(262,532,974)**	(163,111,365)
Principal payments related to lease liabilities		**(41,218,415)**	(21,105,544)
Interest payments related to lease liabilities	*25*	**(1,644,014)**	(794,073)
Net cash used in financing activities		**(305,395,403)**	(185,010,982)
Net increase in cash and cash equivalents		**19,524,680**	58,714,438
Cash and cash equivalents at 1 October	*15*	**298,352,742**	239,638,304
Cash and cash equivalents at 30 September	*15*	**317,877,422**	298,352,742

Abu Dhabi National Hotels Compass Group

Combined statement of cash flows *(continued)*
for the year ended 30 September

	Note	2022 AED	2021 AED
Non-cash transactions:			
Transfers of property, plant and equipment *(net)*	*14*	**79,166**	350,427
Additions of right of use assets	*11*	**88,289,573**	22,581,648
Disposals of right of use assets	*11*	**27,106,432**	-
Net liabilities assumed by related parties		**79,166**	362,101
Transfer of employees' end of service benefits	*14, 18*	-	11,674
Recognition of lease liabilities	*19*	**82,897,440**	22,581,647

The notes set out on pages 9 to 39 form an integral part of these combined financial statements.

The independent auditors' report is set out on pages 1 to 3.

1 Legal status and principal activities

Abu Dhabi National Hotels Company Compass Middle East - LLC, Abu Dhabi National Hotels Compass Emirates (L.L.C) and AD N H Compass LLC (together called as the "Abu Dhabi National Hotels Compass Group" or "Reporting entity") is a joint venture between Abu Dhabi National Hotels Company P.J.S.C. (a public joint stock company incorporated in Abu Dhabi) and Compass Group International B.V Netherland (a wholly owned subsidiary of Compass Group PLC incorporated in the United Kingdom).

The principal activities of the Reporting entity is provision of onshore and offshore catering, cleaning and other services to hospitals, camps, onshore and offshore oilfields, defense / military, airports, shopping malls, universities and schools, palaces and other facilities. The Reporting entity is involved in trading in foodstuff and facilities management services.

The registered address of Abu Dhabi National Hotels Company – Compass Middle East - LLC established in Abu Dhabi on 3 October 2000 is P.O. Box: 109767, Abu Dhabi, United Arab Emirates.

The registered address of Abu Dhabi National Hotels Compass Emirates (L.L.C) established in Dubai on 3 October 2000 is P.O. Box: 31769, Dubai, United Arab Emirates.

The registered address of AD N H Compass LLC established in Abu Dhabi on 3 October 2000 is P.O. Box: 1897, Sharjah, United Arab Emirates.

2 Basis of preparation

(a) Statement of compliance

The Reporting entity mentioned in Note 1 above are legal entities which are jointly controlled by Abu Dhabi National Hotels Company P.J.S.C. (a public joint stock company incorporated in Abu Dhabi) and Compass Group International B.V Netherland (a wholly owned subsidiary of Compass Group PLC incorporated in the United Kingdom) as a joint venture and hence fall under common control. The CEO and CFO all the legal entities within the Reporting entity are the same. The combined financial statements were prepared to present for inclusion in the prospectus for the proposed listing on the Abu Dhabi Stock exchange through Initial Public offering. These financial statements have been prepared from the accounting records of these legal entities, which contain evidence of the transactions recorded locally and present the combined financial performance and position of the group.

These combined financial statements have been prepared in accordance with IFRS Standards as issued by the International Accounting Standards Board ("IFRS Standards").

The same shareholders of the reporting entity also holds 60% of Abu Dhabi National Hotels Compass KSA LLC together while the remaining 40% is being held by other shareholder, however the same is not combined in these financial statements and also geographic location of this entity is outside United Arab Emirates (i, e., Kingdom of Saudi Arabia).

(b) Basis of measurement

These financial statements have been prepared under the historical cost basis.

(c) Functional and presentation currency

These financial statements are presented in United Arab Emirates Dirham ("AED") which is the Reporting entity functional and presentation currency.

2 Basis of preparation *(continued)*

(d) Use of estimates and judgements

The preparation of combined financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements, estimates and assumptions in applying accounting policies that have the most significant effect on the amounts recognised in the combined financial statements is included in note 23.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all years presented in these combined financial statements.

(a) Revenue recognition

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. Under IFRS 15, revenue is measured based on the consideration specified in a contract with a customer. The Reporting entity recognises revenue when it transfers control over product or service to a customer.

The Company recognizes revenue from contracts with customers based on a five step model as set out in IFRS 15:

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

The Company satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

a) The Company's performance does not create an asset with an alternate use to the Company and the Company has as an enforceable right to payment for performance completed to date.

3 Significant accounting policies *(continued)*

(a) ***Revenue recognition*** *(continued)*

b) The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

c) The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs.

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

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies

Type of Product	**Nature and timing of satisfaction of performance obligations, including significant payment terms, revenue recognition under IFRS 15**
Manpower services/ Fixed fee services	Manpower services refers to supply of manpower to the customers and the pricing is based on the number of manpower resources agreed. Fixed fee services refers to those contracts where the scope of work is fixed as per the contract for the services as specified below and the pricing is based on the exact scope. Income from manpower and fixed fees services are recognized in the accounting period when the related services have been performed and accepted by the customers and there are no significant uncertainties regarding recovery of the consideration due, associated costs or the rejection of the services provided. Performance obligation in these revenue stream is being satisfied over the period in which the manpower services and fixed fee services are provided. Revenue is stated net of discounts and returns. Revenue in accordance with IFRS 15 is recognized over the period in which these services are provided to the customers. Invoices are generally issued on a monthly basis unless otherwise specified in the contract alternatively and are usually payable in 30 to 90 days.
Food and beverage supplies revenue / Non-food supplies revenue services/ Shop sales/ Other revenue/ Catering services/ Laundry services	With regard to sale of food and beverage supplies, non-food supplies, shop sales, catering services and Laundry services, revenue is recognized when a customer obtains control of goods or the services is completed. Performance obligation in these revenue streams are satisfied once the customer obtains the control of goods/service provision is completed to the satisfaction of the customer. If the company acts in the capacity of an agent rather than as the principal in a transaction, then the revenue recognized is the net amount of costs incurred by the company. Revenue is recognized at a point in time for these goods and services. Invoices are issued once the goods are supplied or the service is delivered and are usually payable in 30 to 90 days.

3 Significant accounting policies *(continued)*

(b) ***Property, plant and equipment***

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Historical cost includes expenditures that are directly attributable to the acquisition of the asset.

Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Reporting entity. Ongoing repairs and maintenance is expensed as incurred.

Depreciation

Items of property, plant and equipment are depreciated on a straight-line basis in statement of profit or loss and other comprehensive income over the estimated useful lives of each component.

The estimated useful lives for the current and comparative periods are as follows:

	Years
Leasehold improvements	5
Buildings	25
Operating equipment	3 to 5
Furniture, fixtures and office equipment	3 to 4
Motor vehicles	3 to 4

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

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss and other comprehensive income.

(c) ***Intangible assets***

Intangible assets are reported at cost less accumulated amortisation and impairment losses. Amortisation is charged on a straight-line basis over their estimated useful lives of 3 to 5 years. The estimated useful life and amortisation method are reviewed at each reporting date, with the effect of any changes in estimate being accounted for on a prospective basis. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Reporting entity and the cost of the item can be measured reliably.

(d) ***Capital work-in-progress***

Capital work-in-progress is stated at cost. All costs directly attributable to bringing the asset to the location and condition necessary for it to be used in the manner intended by management are included in the construction cost. No depreciation is charged on such assets until available for use. When commissioned, capital work-in-progress is transferred to the appropriate property, plant and equipment and intangible asset category and depreciated in accordance with the Reporting entity policies.

3 Significant accounting policies *(continued)*

(e) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and those overheads that have been incurred in bringing the inventories to their present location and condition and is calculated using the weighted average costing method. Net realisable value represents the estimated selling price less all estimated costs to be incurred in marketing, selling and distribution.

(f) Trade and other receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is due in one year or less (or in the normal operating cycle of the business if longer), these are classified as current assets. If not, these are presented as non-current assets. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

(g) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand, current accounts and deposits with banks with original maturities of three months or less, net of margin deposits, if any.

(h) Share capital

Share capital represents the nominal (par) value of shares that have been issued to the shareholder. The legal entities within the Reporting entity may issue shares up to its authorised share capital. Each share has a nominal (par) value of AED 1,000 for Abu Dhabi National Hotels Company Compass Middle East LLC and Abu Dhabi National Hotels Compass Emirates LLC and (par) value of AED 1,500 per share for ADNH Compass LLC. The legal entities within the Reporting entity may issue 1 share against each capital contribution (regardless of the amount contributed) or it may also elect to issue one share against multiple contributions received by the legal entities within the Reporting entity during a given reporting period.

(i) Dividends paid to shareholder

Dividends paid by the legal entities within the reporting entity to its shareholders are first paid out of distributable profits to the extent available.

(j) Employees' end of service benefits

Provision is made for the full amount of end of service benefits due to employees in accordance with the UAE Labour Law, for their period of service up to the end of the reporting period. The accrual relating to annual leave and leave passage is disclosed as a current liability, while the provision relating to end of service benefits is disclosed as a non-current liability.

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

With respect to UAE nationals employed by the Reporting entity, the Reporting entity makes contributions to the relevant UAE Government pension scheme calculated as a percentage of the employees' salaries. The obligations under these schemes are limited to these contributions, which are expensed when due.

(k) Leases – right-of-use assets and lease liabilities

At inception of a contract, the Reporting entity assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

3 Significant accounting policies *(continued)*

(k) ***Leases – right-of-use assets and lease liabilities*** *(continued)*

i. ***As a lessee***

At the commencement or on modification of a contract that contains a lease component, the Reporting entity allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Reporting entity have elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

The Reporting entity recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Reporting entity by the end of the lease term or the cost of the right-of-use asset reflects that the Reporting entity will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. periodically reduced by impairment losses.

In addition, the right-of-use asset is if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Reporting entity incremental borrowing rate. Generally, the Reporting entity uses its incremental borrowing rate as the discount rate.

The Reporting entity determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Reporting entity are reasonably certain to exercise, lease payments in an optional renewal period if the Reporting entity are reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Reporting entity are reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Reporting entity estimate of the amount expected to be payable under a residual value guarantee, if the Reporting entity changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

3 Significant accounting policies *(continued)*

(k) Leases – Right-of-use assets and lease liabilities *(continued)*

i. As a lessee *(continued)*

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Reporting entity presents 'right-of-use assets' and 'lease liabilities' as separate line items in the statement of financial position.

Short-term leases and leases of low-value assets

The Reporting entity has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Reporting entity recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

ii. As a lessor

At inception or on modification of a contract that contains a lease component, the Reporting entity allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the Reporting entity acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Reporting entity makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Reporting entity considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Reporting entity are an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Reporting entity applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Reporting entity applies IFRS 15 to allocate the consideration in the contract.

The Reporting entity applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Reporting entity further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Reporting entity recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other revenue'.

Generally, the accounting policies applicable to the Reporting entity as a lessor in the comparative period were not different from IFRS 16 except for the classification of the sub-lease entered into during current reporting period that resulted in a finance lease classification.

3 Significant accounting policies *(continued)*

(l) Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers, and are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(m) Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. 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.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and expected net cost of continuing with the contract, which is determined based on incremental costs necessary to fulfill the obligation under the contract. Before a provision is established, the Reporting entity recognises an impairment loss on the assets associated with that contract.

(n) Foreign currencies

Transactions in currencies other than UAE Dirham ("AED") are recorded at the exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in profit or loss and other comprehensive income in the period in which they arise.

(o) Financial instruments

i. Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Reporting entity becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

3 Significant accounting policies *(continued)*

***(o)* Financial instruments** *(continued)*

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Reporting entity changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

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

On initial recognition of an equity investment that is not held for trading, the Reporting entity may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL.

This includes all derivative financial assets. On initial recognition, the Reporting entity may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business Model Assessment:

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

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Reporting entity management;
- The risk that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior period, the reasons for such sales and expectations about future sales activity.

3 Significant accounting policies *(continued)*

(o) Financial instruments *(continued)*

iii. Classification and subsequent measurement *(continued)*

Financial assets – Business Model Assessment: *(continued)*

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Reporting entity continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest:

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

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

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Reporting entity claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets – Subsequent measurement and gains and losses

Financial asset at FVTPL
These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the statement of profit or loss and other comprehensive income.

Financial asset at amortised cost
These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in the statement profit or loss and other comprehensive income.

3 Significant accounting policies *(continued)*

(o) Financial instruments *(continued)*

ii. Classification and subsequent measurement *(continued)*

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Financial liabilities mainly comprise trade and other payables and due to related parties. These are initially recognised at fair value and subsequently stated at amortised cost using the effective interest method.

iii. Derecognition

Financial assets

The Reporting entity derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Reporting entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. The Reporting entity enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Reporting entity derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Reporting entity also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

iv. Offsetting

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

v. Impairment

Non-derivative financial assets

The Reporting entity recognizes loss allowances for ECLs on financial assets measured at amortised cost.

3 Significant accounting policies *(continued)*

(o) Financial instruments *(continued)*

v. Impairment *(continued)*

Non-derivative financial assets *(continued)*

The Reporting entity measures loss allowances at an amount equal to lifetime ECLs, except for the bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured at 12-month ECLs. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Reporting entity considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Reporting entity historical experience and informed credit assessment and including forward-looking information.

The Reporting entity assumes that the credit risk on a financial asset has increased significantly based on significant judgement. Specific factors management considers include the age of balance, background of the customers, existence of disputes, recent historical payment patterns and any other available information concerning the creditworthiness of the counterparty.

The Reporting entity considers a financial asset to be in default when the borrower is unlikely to pay its debt obligations to the Reporting entity in full, without recourse by the Reporting entity to actions such as realizing security (if any is held).

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Reporting entity are exposed to credit risk.

Measurement of ECLs

ECLs are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Reporting entity expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit impaired financial assets

At each reporting date, the Reporting entity assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired.

Evidence that a financial asset is credit impaired includes the following observable data:

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

3 Significant accounting policies *(continued)*

(o) Financial instruments *(continued)*

v. Impairment *(continued)*

Non-derivative financial assets *(continued)*

Evidence that a financial asset is credit impaired includes the following observable data *(continued)*:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Reporting entity on terms that the Reporting entity would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities FVOCI, the loss allowance is charged to profit or loss and is recognized in OCI.

Non – financial assets

At each reporting date, the Reporting entity reviews the carrying amounts of its non-financial assets (other than inventories) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in the statement of profit or loss and other comprehensive income. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

vi. Write-off

The gross carrying amount of a financial asset is written off when the Reporting entity has no reasonable expectations of recovering of financial asset in its entirety or a portion thereof. For corporate customers the Reporting entity individually makes an assessment with respect to the timing and amount of write off based on whether there is a reasonable expectation of recovering. The Reporting entity expects no significant recovery from the amount written off. However, financial assets that are good enough could still be subject to enforcement activities in order to comply with the Reporting entity procedure for recovery of amounts due.

4 Changes in significant accounting policies and disclosures

4.1 Standards issued but not yet effective

At the date of these financial statements, the following standards, amendments and interpretations have not been effective and have not been early adopted:

	Effective for annual periods beginning on or after
Onerous Contracts – Cost of fulfilling a Contract (Amendment to IAS 37)	1 January 2022
Disclosure of Accounting policies – Amendments to IAS 1 and IFRS Practice Statement 2)	1 January 2022
Property, plant and Equipment: Proceeds before Intended Use (Amendment to IAS 16)	1 January 2022
Reference to Conceptual Framework (Amendments to IFRS 3)	1 January 2022
Classification of Liabilities as Current or Non-current – Amendments to IAS 1	1 January 2023
Disclosure of Accounting policies – Amendments to IAS 1 and IFRS Practice Statement 2	1 January 2023
Definition of Accounting Estimate – Amendments to IAS 8	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	1 January 2023
IFRS 17 *Insurance Contracts*	1 January 2023
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Effective date deferred indefinitely

4.2 First time Adoption of IFRS

The combined financial statements of Reporting entity are being prepared for the first time and hence the provisions of IFRS 1: First-time Adoption of International Financial Reporting Standards for the first time adoption are considered while preparing the financial statements, accordingly estimates are not updated for information received at a later date. These financial statements are prepared using bottom-up approach wherein the financial statements of the entities within the reporting entity are being combined.

5 Financial risk management

Overview

The Reporting entity risk management policies are established to identify and analyse the risks faced by the Reporting entity, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Reporting entity activities. The Reporting entity, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Reporting entity Board of Directors oversees how management monitors compliance with the Reporting entity management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Reporting entity. The Reporting entity has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

5 Financial risk management *(continued)*

***Overview** (continued)*

This note presents information about the Reporting entity exposure to each of the above risks, the Reporting entity objectives, policies and processes for measuring and managing risk, and the Reporting entity management of capital. Further quantitative disclosures are included in note 22 to these financial statements.

The senior management has overall responsibility for the establishment and oversight of the Reporting entity risk management framework and is responsible for developing and monitoring the Reporting entity risk management policies.

(a) Credit risk

Credit risk is the risk of financial loss to the Reporting entity if a customer or counter party to a financial instrument fails to meet its contractual obligations and arises principally from the Reporting entity cash balances held with bank, receivables from customers and related parties.

The Reporting entity exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Reporting entity customer base, including the default risk of the industry and country, in which customers operate, has less of an influence on credit risk. Refer to note 13 and 22 for concentration of credit risk.

The Reporting entity establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main component of this allowance is a specific loss component that relates to individually significant exposures.

Cash and cash equivalents are held with high-credit-quality financial institutions.

(b) Liquidity risk

Liquidity risk is the risk that the Reporting entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Reporting entity approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Reporting entity reputation.

The Reporting entity ensures that it has sufficient cash on demand to meet expected operational expenses for a short term period, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Reporting entity income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Interest rate risk
The Reporting entity does not have any borrowings and accordingly is not adversely affected by interest rate risks.

5 Financial risk management *(continued)*

(c) Market risk (continued)

Currency risk
Currency risk is limited as the Reporting entity transactions are primarily denominated in USD and AED. The stability of the rate of exchange of AED to USD has been maintained since 1980.

Price risk
Price risk relates to the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Reporting entity does not have investments in securities and is not exposed to equity price risk.

Capital risk management

The Reporting entity defines capital as share capital, statutory reserve and retained earnings. The primary objective of the Reporting entity capital management are to avoid permanent impairment of capital in order to provide returns for the shareholders. To maintain or adjust the capital structure, the Reporting entity may align the dividend payment to shareholders, return capital to shareholders, issue new shares, obtain new borrowings or sell assets to reduce borrowings. The overall objective remains unchanged during the year ended 30 September 2022.

The Reporting entity has a combination of debt and equity to maintain a sound capital position to support the investment activities of the Reporting entity. Activities are assessed based on their risk and rewards and can be financed through debt or equity. To date, debt has been utilized on a conservative basis so as to enhance returns to investors both in a tax efficient and risk adverse manner.

6 Revenue

6.1 Type of revenue

	2022 AED	2021 AED
Catering services	**1,147,120,257**	1,099,761,951
Manpower services	**421,086,696**	383,887,791
Fixed fee services	**164,511,400**	147,539,244
Food and beverage supplies revenue	**193,225,803**	68,665,213
Nonfood supplies revenue	**38,900,226**	82,749,821
Laundry services	**15,817,658**	19,455,011
Shop sales	**4,875,744**	6,591,933
Other revenues	**4,216,664**	8,305,457
	1,989,754,448	1,816,956,421

6.2 Timing of revenue recognition

	2022 AED	2021 AED
Services transferred over time	**585,598,096**	531,427,035
Services transferred at a point in time	**1,404,156,352**	1,285,529,386
	1,989,754,448	1,816,956,421

6 Revenue *(continued)*

6.3 Geographical markets

All revenues are generated from UAE

7 Cost of revenue

	2022 AED	2021 AED
Staff costs	**713,723,086**	694,344,001
Costs of materials	**745,420,260**	601,807,438
Rent expenses (short term or low values)	**40,613,955**	37,533,061
Transportation	**29,062,664**	27,381,333
Maintenance expenses	**30,451,641**	41,273,538
Depreciation of right-of-use assets	**29,500,073**	21,985,022
Hire charges	**17,427,485**	9,715,506
Other cost of sales	**14,524,375**	15,364,360
Depreciation of property, plant and equipment	**9,237,300**	12,409,596
License fees	**11,419,311**	984,861
Insurance	**1,130,058**	1,162,894
Amortisation of intangible assets	**17,902**	35,803
Vehicle hire	**37,428**	480,931
Others	**31,441,850**	27,503,893
	1,674,007,388	1,491,982,237

8 Administrative expenses

	2022 AED	2021 AED
Staff costs	**55,079,849**	48,261,827
Maintenance expenses	**11,572,686**	5,455,080
License fees	**3,355,149**	2,745,883
Other cost of sales	**2,265,803**	2,764,223
Depreciation of right-of-use assets	**2,238,100**	1,826,001
Depreciation of property, plant and equipment	**505,718**	574,924
Rent expenses	**431,707**	545,631
Amortisation of intangible assets	**273,632**	273,634
Transportation	**35,106**	400
Hire charges	**9,500**	-
Vehicle hire	**-**	21,875
Insurance	**-**	13,585
Others	**531,714**	1,216,495
	76,298,964	63,699,558

Notes *(continued)*

9 Property, plant and equipment

	Leasehold improvements AED	Buildings AED	Operating equipment AED	Furniture, fixtures and office equipment AED	Motor vehicles AED	Capital work-in-progress AED	Total AED
Cost							
At 1 October 2020	3,898,216	7,595,903	83,406,804	20,717,315	3,377,898	798,643	119,794,779
Additions	-	-	6,902,205	4,076,372	-	(200,432)	10,778,145
Transfers, net	-	-	2	(1)	-	-	1
Disposals	(1,638,272)	(131,685)	(9,343,556)	(3,451,037)	(557,900)	-	(15,122,450)
At 1 October 2021	**2,259,944**	**7,464,218**	**80,965,455**	**21,342,649**	**2,819,998**	**598,211**	**115,450,475**
Additions	**580,000**	-	**4,609,579**	**6,537,241**	-	**1,698,422**	**13,425,242**
Transfers, net	-	-	**(714)**	**714**	-	-	-
Disposals	**(186,540)**	**(167,704)**	**(18,547,363)**	**(2,486,539)**	**(311,000)**	**(559,293)**	**(22,258,439)**
At 30 September 2022	**2,653,404**	**7,296,514**	**67,026,957**	**25,394,065**	**2,508,998**	**1,737,340**	**106,617,278**
Accumulated depreciation							
At 1 October 2020	3,721,050	6,854,857	73,191,729	13,081,050	3,278,815	-	100,127,501
Charge for the year	133,203	335,148	7,895,359	4,546,310	74,500	-	12,984,520
Transfers, net	-	-	-	-	-	-	-
Disposals	(1,625,943)	(131,685)	(9,221,662)	(3,173,685)	(557,900)	-	(14,710,875)
At 1 October 2021	**2,228,310**	**7,058,320**	**71,865,426**	**14,453,675**	**2,795,415**	-	**98,401,146**
Charge for the year	**31,635**	**292,977**	**4,460,957**	**4,932,866**	**24,583**	-	**9,743,018**
Transfers, net	-	-	**(715)**	**713**	-	-	**(2)**
Disposals	**(186,540)**	**(54,783)**	**(18,369,074)**	**(2,150,412)**	**(311,000)**	-	**(21,071,809)**
At 30 September 2022	**2,073,405**	**7,296,514**	**57,956,594**	**17,236,842**	**2,508,998**	-	**87,072,353**
Net carrying amount							
At 1 October 2020	177,166	741,046	10,215,075	7,636,265	99,083	798,643	19,667,278
At 30 September 2021	31,634	405,898	9,100,029	6,888,974	24,583	598,211	17,049,329
At 30 September 2022	**579,999**	-	**9,070,363**	**8,157,223**	-	**1,737,340**	**19,544,925**

10 Intangible assets

	AED
Cost	
At 1 October 2020	14,238,208
Additions	-
Disposals	(159,947)
At 1 October 2021	**14,078,261**
Additions	-
Disposals	-
At 30 September 2022	**14,078,261**
Accumulated amortisation	
At 1 October 2020	13,568,454
Charge for the year	309,437
Disposals	(159,947)
At 1 October 2021	**13,717,944**
Charge for the year	**291,533**
Disposals	-
At 30 September 2022	**14,009,477**
Net carrying amount	
At 1 October 2020	669,754
At 30 September 2021	360,317
At 30 September 2022	**68,784**

Intangible assets consist of software licenses procured from third parties. Amortisation expenses have been recorded in administrative expenses reported in statement of profit or loss and other comprehensive income.

11 Right-of-use assets*

	AED
Cost	
At 1 October 2020	46,900,358
Additions	22,581,648
At 1 October 2021	**69,482,006**
Additions	**88,289,573**
Disposals	**(27,106,432)**
At 30 September 2022	**130,665,147**

11 Right-of-use assets* *(continued)*

	AED
Accumulated depreciation	
At 1 October 2020	8,824,985
Charge for the year	23,811,023
Disposals	-
At 1 October 2021	**32,636,008**
Charge for the year	**31,738,173**
Disposals	**(19,535,476)**
At 30 September 2022	**44,838,705**
Net carrying amount	
At 1 October 2020	38,075,373
At 30 September 2021	36,845,998
At 30 September 2022	**85,826,442**

*The right-of use-asset substantially pertains to a single asset class which is 'building lease' and the remaining leases are insignificant in value.

12 Inventories

	2022 AED	2021 AED	2020 AED
Food supplies	**10,734,803**	12,326,646	16,646,851
Operating supplies	**4,962,307**	7,304,581	7,575,875
	15,697,110	19,631,227	24,222,726

13 Trade and other receivables

	2022 AED	2021 AED	2020 AED
Trade receivables	**580,329,610**	611,641,272	598,050,211
Allowance for doubtful receivables	**(18,249,704)**	(18,520,145)	(20,223,968)
	562,079,906	593,121,127	577,826,243

13 Trade and other receivables *(continued)*

	2022	2021	2020
	AED	AED	AED
Accrued income	**44,526,611**	76,085,880	59,269,351
Rebates receivables	**32,512,027**	-	-
Prepayment	**33,459,048**	36,077,591	41,307,425
Other receivables	**9,367,635**	18,920,878	15,974,887
	681,945,227	724,205,476	694,377,906

The average credit period on sale of goods or services is 45 – 60 days. No interest is charged on trade and other receivables. The Reporting entity has adopted a policy of dealing with only creditworthy counterparties. Adequate credit assessment is made before entering into a contract with a customer. Out of the total trade receivables balance at the end of the year, AED 355,182,878 representing 66% of total trade receivables *(2021: AED* 409,531,945 *representing 67% of total trade receivables, 2020: AED 405,796,532 representing 58% of trade receivables)* is due from four major customers. The Reporting entity considers these customers to be reputable and creditworthy.

Included in the Reporting entity trade receivable balance are debtors with a carrying amount of AED 242,474,832 *(2021: AED 320,972,760, 2020: AED 322,464,927)* which are past due at the reporting date for which the Reporting entity have not recognized a provision for doubtful receivable as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Reporting entity does not hold any collateral over these balances.

The movement in the allowance for doubtful receivables during the year was as follows:

	2022	2021	2020
	AED	AED	AED
Opening balance	**18,520,145**	20,223,968	21,737,164
Impairment loss during the year	**9,308**	243,240	(774,098)
Write off	**(279,749)**	(1,947,063)	(739,098)
Closing balance	**18,249,704**	18,520,145	20,223,968

Trade receivable ageing *(gross)*:

	2022	2021	2020
	AED	AED	AED
Not due	**320,316,099**	272,394,367	255,607,764
Due for 1 to 60 days	**128,980,185**	158,251,443	156,991,553
Due for 61 to 90 days	**31,616,316**	20,874,855	55,666,303
Due for 91 to 120 days	**24,715,819**	36,431,858	22,955,732
Due for 121 to 365 days	**54,884,397**	102,105,169	82,449,142
More than 365 days	**19,816,794**	21,583,580	24,379,717
	580,329,610	611,641,272	598,050,211

14 Related party transactions and balances

Related parties comprise the Shareholders of the Reporting entity, the directors and those enterprises over which the Shareholders, the directors or the Reporting entity can exercise significant influence or which can significantly influence the Reporting entity. In the ordinary course of business, the Reporting entity receives goods and services from, and provides goods and services to, such enterprises on rates, terms and conditions agreed between the parties.

The volume of related party transactions, outstanding balances and related expenses and income for the year are as follows:

(a) Transaction with key management personnel

The key management personnel compensation included under staff costs is set out below:

	2022 AED	2021 AED
Short-term employee benefits (salaries and other allowances)	**8,620,711**	8,352,942
Post-employment benefits (long term)	**625,383**	653,125

(b) Significant related party transactions

	2022 AED	2021 AED
Revenue	**1,265,082**	1,179,617
Purchase of goods and services	**60,268,369**	55,372,350
Transfers of property, plant and equipment *(net)*	**79,166**	350,427
Transfer of end of service benefits to a related party *(note 18)*	-	11,674
Manpower charges	**11,722,948**	13,847,052
Maintenance charges	**318,559**	2,589,100

Also refer to note 24 'Contingent liabilities' for certain arrangements with a related party.

All the above transactions are with entities which are being controlled by the shareholders.

14 Related party transactions and balances *(continued)*

(c) Due from related parties

	2022 AED	2021 AED	2020 AED
Compass Arabia Co. Ltd*	**17,813**	1,841,262	6,744,251
Compass Catering Services W.L.L.*	**5,334,052**	5,141,560	4,966,682
Compass Group Holding PLC, UK*	**344,795**	-	
Abu Dhabi National Hotels*	**87,665**	-	
Al Ghazal Transport Company*	**65,952**	-	19,109
The Ritz-Carlton Abu Dhabi, Grand Canal*	-	-	4,755
Al Diar Dana Hotel	**1,897**	11,531	
Al Diar Sawa Hotel Apartments	**3,200**	3,200	4,923
Al Diar Mina Hotel*	**1,643**	3,287	
Al Diar Capital Hotel*	-	5,229	
Hotel Hilton International Al Ain*	-	13,161	4,380
Le Meridien Abu Dhabi*	**16,483**	8,241	4,121
Sheraton Abu Dhabi Hotel & Resort*	**8,063**	12,095	8,063
Radisson Blu Hotel Abu Dhabi Al Ain*	**12,977**	7,649	
Park Hyatt Abu Dhabi Hotels and Villas*	**32,175**	13,711	15,338
Radisson Blu Hotel and Resort Abu Dhabi*	**8,281**	-	13,249
	5,934,996	7,060,926	11,784,871

(d) Due to related parties

* Entity controlled by shareholder(s)

	2022 AED	2021 AED	2020 AED
Al Ghazal Transport Company*	**17,907,945**	14,292,918	14,877,538
Sunshine Travel & Tours*	**4,819,606**	7,048,099	2,341,342
Abu Dhabi National Hotels Company P.J.S.C#	**502,594**	1,371,814	688,648
The Ritz-Carlton Abu Dhabi, Grand Canal*	**26,381**	1,910	-
Al Diar capital hotel*	-	-	21,807
Al Diar mina hotel*	-	-	18,042
Al Diar Dana Hotel*	**675**	-	11,155
Compass Group Holding PLC*	-	414,336	53,885
	23,257,201	23,129,077	18,012,417

Shareholder

15 Cash and cash equivalents

	2022 AED	2021 AED	2020 AED
Cash in hand	**1,287,771**	1,424,567	1,423,502
Cash at bank			
Current accounts	**316,589,651**	296,928,175	213,214,802
Short term deposit	**-**	-	25,000,000
	317,877,422	298,352,742	239,638,304

16 Share capital

	Abu Dhabi National Hotels Company Compass Middle East LLC		Abu Dhabi National Hotels Compass Emirates LLC		ADNH Compass LLC		Total	
	Number of shares	2022, 2021 and 2020 AED	Number of shares	2022, 2021 and 2020 AED	Number of shares	2022, 2021 and 2020 AED	Number of shares	2022,2021 and 2020 AED
Authorised, issued and fully paid*	**20,000**	**20,000,000**	**300**	**300,000**	**100**	**150,000**	**20,400**	**20,450,000**

* Par value AED 1,000 per share for Abu Dhabi National Hotels Company Compass Middle East LLC and Abu Dhabi National Hotels Compass Emirates LLC; par value AED 1,500 per share for ADNH Compass LLC

The share capital is distributed as follows:

	Number of Shares	2022, 2021 and 2020 AED
Abu Dhabi National Hotels Company P.J.S.C	**10,404**	**10,429,500**
Compass Group International B.V	**9,996**	**10,020,500**
	20,400	**20,450,000**

All shares rank equally with regard to the Reporting entity residual assets. Holder of these shares is entitled to dividends as declared from time to time and entitled to one vote per share at general meetings of the Reporting entity.

During the year ended 30 September 2022; the Company paid a dividend of AED 262,532,974 *(2021: AED 163,111,365, 2020: 349,628,026).*

16 Share capital *(continued)*

Legal entity name	Total shares	Total dividend paid	Dividend per share
Abu Dhabi National Hotels Company - Compass – Middle East LLC	**20,000**	**258,404,034**	**12,920**
Abu Dhabi National Hotels Compass Emirates (L.L.C)	**300**	**2,269,973**	**7,567**
AD N H Compass LLC	**100**	**1,858,967**	**18,590**

Legal entity name	Total shares	Total dividend paid	Dividend per share
Abu Dhabi National Hotels Company - Compass - Middle East LLC	20,000	149,459,058	7,473
Abu Dhabi National Hotels Compass Emirates (L.L.C)	300	11,717,821	39,059
AD N H Compass LLC	100	1,934,486	19,345

Legal entity name	Total shares	Total dividend paid	Dividend per share
Abu Dhabi National Hotels Company - Compass – Middle East LLC	20,000	329,445,788	16,472
Abu Dhabi National Hotels Compass Emirates (L.L.C)	300	18,632,240	62,107
AD N H Compass LLC	100	1,549,998	15,500

17 Statutory reserve

In accordance with UAE Federal Law No (2) of 2015 (as amended), 10% of profit for the period is to be transferred to a legal reserve which is non-distributable. Transfers to this reserve are required to be made until such time as it equals 50% of the paid up capital of the Reporting entity. The reserve is not available for distribution except in causes stipulated by the Federal Law and the Reporting entity's Articles of Association.

18 Provision for employees' end of service benefits

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

	2022 AED	2021 AED	2020 AED
At 1 October	**119,423,368**	112,765,799	110,710,851
Charge for the year	**31,077,378**	22,917,065	23,982,486
Payment during the year	**(32,982,714)**	(16,247,822)	(21,927,538)
Transfers from a related party (note 14)	**-**	(11,674)	-
At 30 September	**117,518,032**	119,423,368	112,765,799

Some employees have been transferred from a related company and accordingly, the provision for end of service benefits for these employees was also transferred.

19 Lease liabilities

	2022 AED	2021 AED
At 1 October	**34,926,215**	33,450,112
Additions during the year	**82,897,440**	22,581,647
Finance cost	**1,644,014**	794,073
Repayment during the year	**(42,862,429)**	(21,899,617)
At 30 September	**76,605,240**	34,926,215

The terms and conditions of outstanding lease liabilities are as follows

	Currency	Interest rate	Year of Maturity	30 September 2022 AED	30 September 2021 AED
Lease liabilities	AED	2.6% - 3.8%	2022 – 2028	**76,605,240**	34,926,215

During the year an amount of AED 41,218,415 *(2021: AED 21,105,544, 2020: AED 8,378,747)* was paid towards principal and AED 1,644,014 *(2021: AED 794,073, 2020: AED 266,342)* was paid towards interest *(Note 25)*.

Lease liabilities is classified as follows:

	2022 AED	2021 AED
Non-current portion	**46,570,108**	10,058,400
Current portion	**30,035,132**	24,867,815
At 30 September	**76,605,240**	34,926,215

Lease liabilities is classified as follows:

The contractual cash flows for these lease liabilities are as follows:

	Carrying Value AED	Contractual cash flows Less than 1 Year AED	Between 1 - 5 years AED	Later than 5 Years AED	Total AED
30 September 2022 Lease liabilities	**76,605,240**	**30,068,171**	**43,838,103**	**9,214,180**	**83,120,454**
30 September 2021 Lease liabilities	34,926,215	24,867,815	12,837,656	-	37,705,471
1 October 2020 Lease liabilities	33,450,111	18,711,825	17,393,228	-	36,105,053

20 Trade and other payables

	2022	2021	2020
	AED	AED	AED
Trade payables	**283,905,486**	275,093,383	347,184,472
Accrued expenses	**302,480,879**	198,607,858	164,993,793
Other payables	**52,144,622**	158,802,507	157,927,623
	638,530,987	632,503,748	670,105,888

The average credit period on purchases of goods is 60 - 90 days. No interest is charged on the trade payables. The Reporting entity have financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

21 Profit for the year

Profit for the year is stated after charging:

	2022	2021
	AED	AED
Staff costs	**768,802,935**	742,605,828
Depreciation of right of use assets	**31,738,173**	23,811,023
Depreciation of property, plant and equipment	**9,743,018**	12,984,520
Amortisation of intangible assets	**291,533**	309,437

22 Financial instruments

Capital risk management

The Reporting entity manages its capital to ensure that it will be able to continue as a going concern while maximizing the return on equity. The Reporting entity overall strategy remains unchanged from 2021.

Credit risk

Exposure to credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Reporting entity. The Reporting entity have no significant credit risk as a result of dealing with third parties. Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central banks of the respective countries. Trade receivables have a credit of 45 - 60 days and there has been no history of default. Amount due from related parties are recoverable on demand as and when the Reporting entity needs funding.

Concentration of credit risk arise when a number of counter-parties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Reporting entity performance to developments affecting a particular industry or geographic location. All balances with banks represent local commercial banks.

22 Financial instruments *(continued)*

***Credit risk** (continued)*

Exposure to credit risk (continued)

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Note	**2022 AED**	2021 AED	2020 AED
Trade and other receivables (excluding accrued income)	*13*	**603,959,568**	688,127,885	653,070,481
Due from related parties	*14*	**5,934,996**	7,060,926	11,784,871
Cash at bank	*15*	**316,589,651**	296,928,175	238,214,802
		926,484,215	992,116,986	903,070,154

Amounts due from related parties

Related parties have been transacting with the Reporting entity since its inception and none of its balances have been written off or are credit-impaired at the reporting date.

As at the reporting date, management believes that impairment loss in relation to amount due from related parties is immaterial and accordingly has not established an allowance. The Reporting entity does not require collateral in respect of its amount due from related parties. The Reporting entity does not have amounts for which no loss allowance is recognised because of collateral.

Cash and bank balances

The Reporting entity held cash and cash equivalents of AED 317,877,422 at 30 September 2022 *(30 September 2021: AED 298,127,335, 1 October 2020* 239,638,304*)*. The cash and cash equivalents are held with banks, which are rated A to Aa3, based on Moody's ratings.

Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Reporting entity considers that its cash and cash equivalents have a low credit risk based on the external credit ratings of the counterparties.

Liquidity risk

The maturity profile of financial liabilities at the end of the reporting period based on existing contractual repayment arrangements was as follows:

	Note	**Carrying Amount AED**	**Less than 1 year AED**	**1 – 5 years AED**
At 30 September 2022				
Trade and other payables	*20*	**638,530,987**	**638,530,987**	-
Due to related parties	*14*	**23,257,201**	**23,257,201**	-
Lease liabilities	*19*	**76,605,240**	**32,255,938**	**50,864,516**
		738,393,428	**694,044,126**	**50,864,516**

22 Financial instruments *(continued)*

Liquidity risk (continued)

	Note	Carrying Amount AED	Less than 1 year AED	1 – 5 years AED
At 30 September 2021				
Trade and other payables	*20*	632,503,748	632,503,748	-
Due to related parties	*14*	23,129,077	23,129,077	-
Lease liabilities	*19*	34,926,215	26,852,998	10,852,473
		690,559,040	682,485,823	10,852,473
At 30 September 2020				
Trade and other payables	*20*	670,105,885	670,105,885	-
Due to related parties	*14*	18,012,417	18,012,417	-
Lease liabilities	*19*	33,450,111	18,766,359	17,338,694
		721,568,413	706,884,661	17,338,694

The amounts are gross and undiscounted, and include estimated interest payments.

Fair value of financial assets and liabilities

The Reporting entity measures all its financial assets and financial liabilities at amortised cost. Management considers that the fair values of financial assets and financial liabilities approximate their carrying values as stated in the combined financial statements. When measuring the fair value of an asset or a liability, the Reporting entity uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

23 Accounting estimates and judgements

In the process of applying the Reporting entity accounting policies, which are described in note 3, management has made the following judgement that has the most significant effect on the amounts of assets and liabilities recognised in the financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

23 Accounting estimates and judgements *(continued)*

Impairment on receivables
The Reporting entity reviews its receivables to assess impairment at least on an annual basis. An estimate of the collectible amount of trade and other receivables is made when collection of the full amount is no longer probable.

This determination of whether the receivables are impaired, entails Management evaluating the specific credit and liquidity position of the customers and related parties and their historical recovery rates, including review of the current economic environment. The difference between the estimated collectible amount and the recorded amount is recognised as an expense in profit or loss. Any difference between the amounts expected and the amounts actually collected in the future periods is recognised in profit or loss at the time collection. Impairment provision of trade and other receivables at 30 September 2022 is AED *18,249,704 (2021: AED 18,520,145, 2020: AED 20,223,968).*

Useful lives of property, plant and equipment
Management assigns useful lives and residual values to the items of property, plant and equipment based on the intended use of the assets and the expected economic lives of those assets. Subsequent changes in circumstances such as technological advances or prospective utilisation of the assets concerned could result in the actual useful lives or residual values differing from the initial estimates. Management has reviewed the residual values and useful lives of the major items of property, plant and equipment and have determined that no adjustment is necessary.

Impairment of property, plant and equipment
Property, plant and equipment are assessed for impairment based on assessment of cash flows on individual cash generating units when there is indication of impairment. Cash flows are determined based on contractual agreements and estimations over the useful life of the assets and discounted using a range of discounting rates representing the rate of return on such cash generating units. The net present values are compared to the carrying amounts to assess any probable impairment

Impairment on inventory obsolescence
Inventories are stated net of allowance for obsolescence. Management has considered the allowance required for inventory obsolescence based on the current economic environment and past obsolescence history. Management believes that no impairment is required as of 30 September 2022 and 2021.

Inventories
The Reporting entity have engaged Seven Seas Storage Management *(2021: Mohebi Logistics)*, a third party logistics service provider, for warehousing and delivery management services. As per the terms of the agreement, the service provider is not entitled to create any charge, lien or other encumbrance on the goods and legal title in the goods will at all times vest with the service provider until the goods are handed over to the Reporting entity at the delivery point. The service provider has also taken out and maintained insurance policies at its expense during the term of this agreement. Management has reviewed the detailed criteria under IAS 2 Inventories, the definition of an asset under the Framework and the terms of the agreement with Seven Seas Storage Management *(2021: Mohebi Logistics)*and is satisfied that the cost of inventories held at the Seven Seas Storage Management's *(2021: Mohebi Logistics')* warehouse at year end should not be recorded in the financial statements.

Revenue on expired contracts
The Reporting entity is in the process of renewing certain contracts which have expired as at the end of the reporting period. The Reporting entity has reviewed the detailed criteria under IFRS 15 *Revenue* and is satisfied that it is appropriate to recognise revenue for such cases on the basis of signed meal sheets and man days in addition to other relevant documentary / ongoing negotiations. Management expects formal approval of these contracts to be highly probable.

24 Contingent liabilities

	2022 **AED**	2021 AED	2020 AED
Bank guarantees	**209,167,915**	228,198,232	202,712,933

The above bank guarantees were issued in the normal course of business. These include an amount of AED 9,400 *(2021: AED 9,400, 2020: 9,400)* issued by a related party on behalf of the Reporting entity.

25 Leases

Leases in which the Reporting entity *is a lessee*

Information about leases for which the Reporting entity are a lessee is presented below.

(a) *Right of use assets*

Refer to note 11 for movement in right-of-use assets during the year ended 30 September 2022.

(b) *Amounts recognised in statement of profit or loss*

	2022 **AED**	2021 AED
Depreciation of right-of-use assets	**31,738,173**	23,811,023
Interest on lease liabilities	**1,644,014**	794,073

(c) *Amounts recognised in statement of cash flows*

	2022 **AED**	2021 AED
Total cash outflow for leases	**42,862,429**	21,899,617

Leases in which the Reporting entity *is a lessor*

The Reporting entity does not have any leases in the capacity of lessor.

26 Subsequent events

On 27th March 2024, which is subsequent to the year end, Abu Dhabi National Hotels Company P.J.S.C. (a public joint stock company incorporated in Abu Dhabi) acquired the remaining 49% stake in the Reporting entity, thereby becoming the sole shareholder with 100% ownership. In conjunction with the Reporting Entity, Abu Dhabi National Hotels Company P.J.S.C is in the process of establishing an intermediate holding company for the Reporting entity, which is planned to be listed through an IPO on the Abu Dhabi Stock Exchange.

27 Date of authorisation for issue

The financial statements were approved and authorised for issue by the Board of Directors in their meeting held on 0 5 AUG 2024

Abu Dhabi National Hotels Company Compass Middle East LLC

Financial statements
30 September 2023

Principal business address:
P.O. Box: 109767
Abu Dhabi
United Arab Emirates

Abu Dhabi National Hotels Company Compass Middle East LLC

Financial statements

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Abu Dhabi National Hotels Company Compass Middle East LLC

Directors' Report
for the year ended 30 September 2023

The Directors have the pleasure in submitting their report, together with the audited financial statements of Abu Dhabi National Hotels Company Compass Middle East LLC (the Company) for the year ended 30 September 2023.

Principal activities

The principal activities of the Company are to provide catering, cleaning and other services to hospitals, camps, onshore and offshore oilfields, defense / military, airports, shopping malls, universities and schools, palaces and other facilities. The Company also manages restaurants.

Financial results

The results of the Company for the year are set out on page 7 of the financial statements.

Going concern basis

The Board of Directors has reasonable expectation that the Company has adequate resources and support to continue its operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements for the year ended 30 September 2023.

Transactions with related Parties

The financial statements disclose related party transactions and balances in note 14. All transactions are carried out as part of our normal course of business and in compliance with applicable laws and regulations.

Directors

The Directors who served during the year were:

Khalaf Sultan Rashed Saeed Aldhaheri
David Rees
Khalid Anib
Petros Parras

Auditors

KPMG were appointed as external auditors for the Company for the year ended 30 September 2023. KPMG have expressed their willingness to continue in office. A shareholder resolution for the reappointment of KPMG is proposed and to absolve them of their responsibility for the year ended 30 September 2024.

On behalf of the Board

Chairman

16 JAN 2024

KPMG Lower Gulf Limited
Level 19, Nation Tower 2
Corniche Road, P.O. Box 7613
Abu Dhabi, United Arab Emirates
Tel. +971 (2) 401 4800, www.kpmg.com/ae

Independent auditors' report

To the Shareholders of Abu Dhabi National Hotels Company Compass Middle East LLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Abu Dhabi National Hotels Company Compass Middle East LLC ("the Company"), which comprise the statement of financial position as at 30 September 2023, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 30 September 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards).

Basis for Opinion

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

Other Information

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

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

Other Information (continued)

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Standards and their preparation in compliance with the applicable provisions of the UAE Federal Decree Law No. 32 of 2021 and for such internal control as management determines is necessary to enable the preparation of 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.

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

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

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

— Identify and assess the risks of material misstatement of the 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.

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

— 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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' 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, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

Further, as required by the UAE Federal Decree Law No. 32 of 2021, we report that for the year ended 30 September 2023:

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

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

iii) the Company has maintained proper books of account;

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

v) as disclosed in note 1 to the financial statements, the Company has not purchased any shares during the year ended 30 September 2023;

vi) note 14 to the financial statements discloses material related party transactions and the terms under which they were conducted; and

KPMG

Report on Other Legal and Regulatory Requirements (continued)

vii) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended 30 September 2023 any of the applicable provisions of the UAE Federal Decree Law No. 32 of 2021, its Articles of Association, which would materially affect its activities or its financial position as at 30 September 2023.

KPMG Lower Gulf Limited

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

Date: 16 JAN 2024

Abu Dhabi National Hotels Company Compass Middle East LLC

Statement of financial position

as at 30 September

	Note	2023 AED	2022 AED
Assets			
Non-current assets			
Property and equipment	*9*	**14,958,362**	14,960,155
Intangible assets	*10*	**285,534**	68,784
Right of use assets	*11*	**86,656,545**	75,644,952
Total non-current assets		**101,900,441**	90,673,891
Current assets			
Inventories	*12*	**6,819,045**	13,837,145
Trade and other receivables	*13*	**567,478,224**	572,536,727
Due from related parties	*14*	**27,041,715**	15,347,336
Cash and cash equivalents	*15*	**165,697,328**	317,535,458
Total current assets		**767,036,312**	919,256,666
Total assets		**868,936,753**	1,009,930,557
Equity and liabilities			
Equity			
Share capital	*16*	**20,000,000**	20,000,000
Statutory reserve	*17*	**10,000,000**	10,000,000
Retained earnings		**212,421,946**	215,337,048
Total equity		**242,421,946**	245,337,048
Non-current liabilities			
Employees' end of service benefits	*18*	**110,130,739**	117,377,324
Lease liabilities	*21*	**47,584,568**	45,181,104
Total non-current liabilities		**157,715,307**	162,558,428
Current liabilities			
Trade and other payables	*19*	**415,234,941**	558,582,649
Due to related parties	*14*	**23,177,917**	23,119,483
Lease liabilities	*21*	**30,386,642**	20,332,949
Total current liabilities		**468,799,500**	602,035,081
Total liabilities		**626,514,807**	764,593,509
Total equity and liabilities		**868,936,753**	1,009,930,557

To the best of our knowledge the financial statements of the Company fairly presents, in all material respects, the financial position, results of operations and cash flows of the Company as of and for the year ended 30 September 2023.

Chairman

CEO-Middle East

The notes set out on pages 11 to 46 form an integral part of these financial statements.

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

Abu Dhabi National Hotels Company Compass Middle East LLC

Statement of profit or loss and other comprehensive income
for the year ended 30 September

	Note	2023 AED	2022 AED
Revenue	6	**1,388,792,200**	1,618,027,566
Cost of revenue	7	**(1,124,771,033)**	(1,329,107,824)
Gross profit		**264,021,167**	288,919,742
Administrative expenses	8	**(49,745,882)**	(75,435,002)
Impairment loss on trade receivables	13	**(904,989)**	(12,059)
Other (loss) / income		**(1,934,177)**	2,148,910
Finance income		**2,783,853**	2,933
Finance cost	25	**(2,784,246)**	(1,273,696)
Profit for the year		**211,435,726**	214,350,828
Other comprehensive income		**-**	-
Total comprehensive profit for the year		**211,435,726**	214,350,828

The notes set out on pages 11 to 46 form an integral part of these financial statements.

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

Abu Dhabi National Hotels Company Compass Middle East LLC

Statement of changes in equity
for the year ended 30 September

	Share capital AED *(note 16)*	Statutory reserve AED *(note 17)*	Retained earnings AED	Total equity AED
Balance at 1 October 2021	20,000,000	10,000,000	259,390,254	289,390,254
Profit for the year	-	-	214,350,828	214,350,828
Dividends *(note 16)*	-	-	(258,404,034)	(258,404,034)
Balance at 30 September 2022	20,000,000	10,000,000	215,337,048	245,337,048
Balance at 1 October 2022	**20,000,000**	**10,000,000**	**215,337,048**	**245,337,048**
Profit for the year	**-**	**-**	**211,435,726**	**211,435,726**
Dividends *(note 16)*	**-**	**-**	**(214,350,828)**	**(214,350,828)**
Balance at 30 September 2023	**20,000,000**	**10,000,000**	**212,421,946**	**242,421,946**

The notes set out on pages 11 to 46 form an integral part of these financial statements.

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

Abu Dhabi National Hotels Company Compass Middle East LLC

Statement of cash flows
for the year ended 30 September

	Note	2023 AED	2022 AED
Cash flows from operating activities			
Profit for the year		**211,435,726**	214,350,828
Adjustments for:			
Depreciation of property and equipment	9	**8,165,846**	6,197,947
Gain on disposal of property and equipment		**-**	(1,711,166)
Amortisation of intangible assets	10	**72,800**	291,533
Finance income		**(2,783,853)**	(2,933)
Provision for employees' end of service benefits	18	**20,218,570**	27,850,617
Depreciation of right-of-use assets	11	**31,468,505**	22,278,359
Finance cost	25	**2,784,246**	1,273,696
Impairment loss on trade receivables	13	**904,989**	12,059
		272,266,829	270,540,940
Changes in:			
- Inventories		**7,018,100**	4,185,515
- Trade and other receivables		**4,153,514**	65,953,262
- Due from related parties		**(8,743,282)**	23,204,418
- Due to related parties		**58,434**	198,048
- Trade and other payables		**(140,615,963)**	(12,339,457)
Cash generated from operations		**134,137,632**	351,742,726
Employees' end of service benefits paid	18	**(30,416,252)**	(32,982,714)
Net cash generated from operating activities		**103,721,380**	318,760,012
Cash flows from investing activity			
Additions to property and equipment	9	**(9,814,513)**	(9,744,122)
Addition to Intangible assets	10	**(289,550)**	-
Interest received		**2,783,853**	2,933
Proceeds from disposal of property and equipment		**1,650,460**	2,116,807
Net cash used in investing activity		**(5,669,750)**	(7,624,382)
Net cash used in financing activities			
Dividends paid	16	**(214,350,828)**	(258,404,034)
Principle payments related to lease liabilities	25	**(32,754,686)**	(31,843,237)
Interest payments related to lease liabilities	25	**(2,784,246)**	(1,273,696)
Net cash used in financing activities		**(249,889,760)**	(291,520,967)
Net decrease in cash and cash equivalents		**(151,838,130)**	19,614,663
Cash and cash equivalents at the beginning of the year	15	**317,535,458**	297,920,795
Cash and cash equivalents at the end of the year	15	**165,697,328**	317,535,458

Abu Dhabi National Hotels Company Compass Middle East LLC

Statement of cash flows *(continued)*
for the year ended 30 September

	Note	**2023 AED**	2022 AED
Non-cash transactions:			
Transfer of property and equipment	*9, 14*	**184**	84,168
Additions of right of use assets	*11*	**42,791,680**	82,839,265
Disposals of right of use assets	*11*	**311,582**	7,570,956
Net liabilities assumed by related parties		**2,951,281**	3,292,190
Transfer of end of service benefits to related parties	*14, 18*	**2,951,097**	3,208,022
Additions of lease liabilities	*21*	**45,211,843**	75,268,309

The notes set out on pages 11 to 46 form an integral part of these financial statements.

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

1 Legal status and principal activities

Abu Dhabi National Hotels Company Compass Middle East LLC ("the Company") was established in Abu Dhabi under the UAE Federal Law No. (32) of 2021. The Company is a joint venture between Abu Dhabi National Hotels Company P.J.S.C. (a public joint stock company incorporated in Abu Dhabi) and Compass Group International B.V Netherland (a wholly owned subsidiary of Compass Company PLC incorporated in the United Kingdom).

The principal activities of the Company are provision of catering, cleaning and other services to hospitals, camps, onshore and offshore oilfields, defense / military, airports, shopping malls, universities and schools, palaces and other facilities. The Company also manages restaurants.

The registered address of the Company is P.O. Box: 109767, Abu Dhabi, United Arab Emirates.

The Company has not purchased any shares during the year ended 30 September 2023.

2 Basis of preparation

(a) *Statement of compliance*

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB") and applicable requirement of the UAE Federal Law No. 32 of 2021.

Federal Decree Law No. (32) of 2021 which repeals and replaces Federal Law No. (2) of 2015 (as amended) on Commercial Companies, was issued on 20 September 2021 and is effective from 2 January 2022.

(b) *Basis of measurement*

These financial statements have been prepared under the historical cost basis.

(c) *Functional and presentation currency*

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

(d) *Use of estimates and judgements*

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements, estimates and assumptions in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in note 23.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all years presented in these financial statements.

(a) Revenue recognition

Revenue is measured based on the consideration specified in the contract with the customer. The Company recognises revenue when transfers control over a good or service to the customer.

The Company recognises revenue based on a five-step model as set out in IFRS 15:

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

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

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

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

Step 5 Recognise revenue when or as the entity satisfies a performance obligation.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met :

1. The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. 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 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 performance obligation is satisfied.

3 Significant accounting policies *(continued)*

(a) Revenue recognition (continued)

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Type of product/ services	Nature and timing of satisfaction of performance obligations, including significant payments terms, revenue recognition under IFRS 15
Manpower services	Income from manpower services are recognised in the accounting period when the related services have been performed and accepted by the customers and there are no significant uncertainties regarding recovery of the consideration due, associated costs or the rejection of the services provided. Revenue is stated net of discounts and returns. Revenue is recognised over the period in which these services are provided.
Catering services/Fixed fee services/ Food and beverage supplies revenue - back charge/Nonfood supplies revenue - back charge/ Laundry services/Shop sales	Income from the specified services is recognised when a customer obtains control of the goods or the service is completed. For some contracts wherein the shipping and handling activities are performed after the transfer of goods to the customer, the customer controls the goods once it reaches their respective ports. The revenue from these contracts will be recognised as the goods reaches to the ports. If the Company acts in the capacity of an agent rather than as the principal in a transaction, then the revenue recognised is the net amount of costs made by the Company. Revenue is recognised at a point in time for these goods and services. The Company's assessment indicates that this will be regarded as a separate performance obligation and revenue allocation of a transaction price will be required as well as the shipping and handling costs for these contracts is recongised at the point in time – i.e. when the goods are delivered to customers' ports.

3 Significant accounting policies *(continued)*

(b) Property and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Historical cost includes expenditures that are directly attributable to the acquisition of the asset.

Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance is expensed as incurred.

Depreciation

Items of property, plant and equipment are depreciated on a straight-line basis in statement of profit or loss and other comprehensive income over the estimated useful lives of each component.

The estimated useful lives for the current and comparative periods are as follows:

	Years
Leasehold improvements	5 to 10
Building	25
Operating equipment	3 to 5
Furniture, fixtures and office equipment	3 to 4
Motor vehicles	3 to 4

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

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss and other comprehensive income.

3 Significant accounting policies *(continued)*

(c) Capital work-in-progress

Capital work-in-progress is stated at cost. All costs directly attributable to bringing the asset to the location and condition necessary for it to be used in the manner intended by management are included in the construction cost. No depreciation is charged on such assets until available for use. When commissioned, capital work-in-progress is transferred to the appropriate property, plant and equipment and intangible asset category and depreciated in accordance with the Company's policies.

(d) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and those overheads that have been incurred in bringing the inventories to their present location and condition and is calculated using the weighted average costing method. Net realisable value represents the estimated selling price less all estimated costs to be incurred in marketing, selling and distribution.

(e) Trade and other receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), these are classified as current assets. If not, these are presented as non-current assets. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

(f) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand, current accounts and deposits with banks with original maturities of three months or less, net of margin deposits, if any.

3 Significant accounting policies *(continued)*

(g) Share capital

Share capital represents the nominal (par) value of shares that have been issued to the shareholder. The Company may issue shares up to its authorised share capital. Each share has a nominal (par) value of AED 1,000. The Company may issue 1 share against each capital contribution (regardless of the amount contributed) or it may also elect to issue one share against multiple contributions received by the Company during a given reporting period.

(h) Dividends paid to shareholder

Dividends paid by the Company to its shareholders are first paid out of distributable profits to the extent available.

(i) Employees' end of service benefits

The Company provides end of service benefits to its expatriate employees. The entitlement to these benefits is usually based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Provision is made for estimated liability for the employees' end of service benefit and is calculated annually using the projected unit credit method.

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

With respect to UAE nationals employed by the Company, the Company makes contributions to the relevant UAE Government pension scheme calculated as a percentage of the employees' salaries. The obligations under these schemes are limited to these contributions, which are expensed when due.

(j) Leases – Right-of-use assets and lease liabilities

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

i. As a lessee

At the commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Company has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

3 Significant accounting policies *(continued)*

(j) Leases – Right-of-use assets and lease liabilities (continued)

i. As a lessee (continued)

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents 'right-of-use assets' and 'lease liabilities' as separate line items in the statement of financial position.

3 Significant accounting policies *(continued)*

(j) Leases – Right-of-use assets and lease liabilities (continued)

i. As a lessee (continued)

Short-term leases and leases of low-value assets
The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

ii. As a lessor

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Company applies IFRS 15 to allocate the consideration in the contract.

The Company applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.
The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other revenue'.

Generally, the accounting policies applicable to the Company as a lessor in the comparative period were not different from IFRS 16 except for the classification of the sub-lease entered into during current reporting period that resulted in a finance lease classification.

3 Significant accounting policies *(continued)*

(k) Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers, and are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(l) Provisions

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

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

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

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and expected net cost of continuing with the contract, which is determined based on incremental costs necessary to fulfill the obligation under the contract. Before a provision is established, the Company recognises an impairment loss on the assets associated with that contract.

(m) Foreign currencies

Transactions in currencies other than UAE Dirham ("AED") are recorded at the exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss and other comprehensive income in the period in which they arise.

3 Significant accounting policies *(continued)*

(n) Financial instruments

i. Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

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

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

3 Significant accounting policies *(continued)*

(n) Financial instruments (continued)

ii. Classification and subsequent measurement (continued)

Financial assets – Business Model Assessment:

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

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Company's management;
- The risk that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior period, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest:

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

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

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

3 Significant accounting policies *(continued)*

(n) Financial instruments *(continued)*

ii. Classification and subsequent measurement *(continued)*

Financial assets *(continued)*

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest:

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets – Subsequent measurement and gains and losses

Financial asset at FVTPL
These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the statement of profit or loss and other comprehensive income.

Financial asset at amortised cost
These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in the statement profit or loss and other comprehensive income.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Financial liabilities mainly comprise trade and other payables and due to related party. These are initially recognised at fair value and subsequently stated at amortised cost using the effective interest method.

3 Significant accounting policies *(continued)*

(n) Financial instruments (continued)

iii. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. The Company enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

iv. Offsetting

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

v. Impairment

Non-derivative financial assets

Financial instruments

The Company recognizes loss allowances for ECLs on financial assets measured at amortized cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured at 12-month ECLs. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

3 Significant accounting policies *(continued)*

***(n) Financial instruments** (continued)*

***v. Impairment** (continued)*

Non-derivative financial assets *(continued)*

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly based on significant judgement. Specific factors management considers include the age of balance, background of the customers, existence of disputes, recent historical payment patterns and any other available information concerning the creditworthiness of the counterparty.

The Company considers a financial asset to be in default when the borrower is unlikely to pay its debt obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held).

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

3 Significant accounting policies *(continued)*

(n) Financial instruments (continued)

v. Impairment (continued)

Non-derivative financial assets *(continued)*

Evidence that a financial asset is credit impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities FVOCI, the loss allowance is charged to profit or loss and is recognized in OCI.

Non - financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in the statement of profit or loss and other comprehensive income. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

vi. Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of financial asset in its entirety or a portion thereof. For corporate customers the Company individually makes an assessment with respect to the timing and amount of write off based on whether there is a reasonable expectation of recovering. The Company expects no significant recovery from the amount written off. However, financial assets that are good enough could still be subject to enforcement activities in order to comply with the Company's procedure for recovery of amounts due.

4 Changes in significant accounting policies and disclosures

4.1 New and amended standards

A number of new standards are effective for annual periods beginning after 1 January 2022 and earlier application is permitted, however, the Company has not early adopted the new or amended standards in preparing these financial statements.

The following amendments to existing standards and frameworks have been applied by the Company in the preparation of these financial statements.

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- COVID-19 – Related Rent Concessions beyond 30 June 2021 – Amendment to IFRS 16
- Annual improvements to IFRS Standards 2018-2020
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- Reference to the Conceptual Framework (Amendments to IFRS 3)

The adopting of the above did not result in any changes to previously reported financial statements of the Company.

4.2 New and amended standards issued but not effective

At the date of these financial statements, the following standards, amendments and interpretations have not been effective and have not been early adopted:

Standards issued but not yet effective	Effective for annual periods beginning on or after
Classification of liabilities as Current or Non-current (Amendments to IAS 1)	1 January 2023
IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts	1 January 2023
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	1 January 2023
Definition of Accounting Estimates (Amendments to IAS 8)	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	1 January 2023
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Effective date deferred indefinitely.

5 Financial risk management

Overview

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Board of Directors oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included in note 22 to these financial statements.

The senior management has overall responsibility for the establishment and oversight of the Company's risk management framework and is responsible for developing and monitoring the Company's risk management policies.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Company's customer base, including the default risk of the industry and country, in which customers operate, has less of an influence on credit risk. There is no concentration of credit risk.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main component of this allowance is a specific loss component that relates to individually significant exposures.

Cash and cash equivalents are held with high-credit-quality financial institutions.

5 Financial risk management *(continued)*

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company ensures that it has sufficient cash on demand to meet expected operational expenses for a short term period, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Market risk comprise of currency risk and interest rate risk.

Interest rate risk
The Company does not have any deposits or borrowings and accordingly is not adversely affected by interest rate risks.

Currency risk
Currency risk is limited as the Company's transactions are primarily denominated in USD and AED. The stability of the rate of exchange of AED to USD has been maintained since 1980.

Price risk
Price risk relates to the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company does not have investments in securities and is not exposed to equity price risk.

Capital Risk Management

The Company defines capital as share capital, statutory reserve and retained earnings. The primary objective of the Company's capital management is to avoid permanent impairment of capital in order to provide returns for the shareholders. To maintain or adjust the capital structure, the Company may align the dividend payment to shareholders, return capital to shareholders, issue new shares, obtain new borrowings or sell assets to reduce borrowings. The overall objective remains unchanged during the year ended 30 September 2023. The Company has a combination of debt and equity to maintain a sound capital position to support the investment activities of the Company.

Activities are assessed based on their risk and rewards and can be financed through debt or equity. To date, debt has been utilised on a conservative basis so as to enhance returns to investors both in a tax efficient and risk adverse manner. Other than certain requirements of the UAE Federal Law No. (32) of 2021, there were no externally imposed capital requirements which the Company must comply with.

Abu Dhabi National Hotels Company Compass Middle East LLC

Notes to the financial statements

6 Revenue

6.1 Type of revenue

	2023 AED	2022 AED
Catering services	**783,531,536**	994,518,094
Manpower services	**339,679,242**	331,137,269
Fixed fee services	**157,485,030**	159,682,593
Food and beverage supplies revenue - back charge	**58,966,572**	74,571,448
Nonfood supplies revenue - back charge	**17,469,775**	34,187,635
Laundry services	**11,479,485**	15,817,658
Shop sales	**3,172,733**	4,875,744
Other revenues	**17,007,827**	3,237,125
	1,388,792,200	1,618,027,566

6.2 Timing of revenue recognition

	2023 AED	2022 AED
Services transferred over time	**339,679,242**	331,137,269
Services transferred at point in time	**1,049,112,958**	1,286,890,297
	1,388,792,200	1,618,027,566

6.3 Geographical markets

All revenues are generated from UAE.

7 Cost of revenue

	2023 AED	2022 AED
Staff costs	**531,907,080**	612,205,562
Costs of materials	**477,609,083**	558,914,090
Rent expenses (short term or low values)	**17,531,273**	32,640,367
Transportation	**16,752,349**	22,120,085
Maintenance expenses	**20,891,702**	21,351,359
Depreciation of right-of-use assets	**29,519,657**	20,322,077
Hire charges	**5,838,767**	17,362,195
Other cost of sales	**9,565,841**	13,166,163
Depreciation of Property and equipment	**7,566,904**	5,692,229
License fees	**159,979**	1,251,750
Insurance	**519,831**	1,010,927
Amortisation of intangible assets	-	17,902
Vehicle hire	-	14,827
Others	**6,908,567**	23,038,291
	1,124,771,033	1,329,107,824

8 Administrative expenses

	2023 AED	2022 AED
Staff costs	**31,189,071**	54,779,540
Maintenance expenses	**8,784,481**	11,553,236
License fees	**4,857,439**	3,216,999
Other cost of sales	**1,726,189**	2,255,338
Depreciation of right-of-use assets	**1,948,848**	1,956,282
Depreciation of property and equipment	**598,942**	505,718
Rent expenses	**59,295**	418,714
Amortisation of intangible assets	**72,800**	273,631
Transportation	**76,375**	35,107
Hire Charges	**6,750**	9,500
Vehicle hire	**5,692**	-
Insurance	**420,000**	-
Others	-	430,937
	49,745,882	75,435,002

9 Property and equipment

	Leasehold improvements AED	Buildings AED	Operating equipment AED	Furniture, fixtures and office equipment AED	Motor vehicles AED	Capital work-in-progress AED	Total AED
Cost							
At 1 October 2021	2,259,944	7,464,218	71,067,553	12,536,078	2,699,998	425,120	96,452,911
Additions	580,000	-	2,706,020	5,179,116	-	1,278,986	9,744,122
Transfers	-	-	(234,151)	3,885	-	-	(230,266)
Disposals	(186,540)	(167,704)	(18,021,191)	(925,247)	(311,000)	-	(19,611,682)
At 1 October 2022	2,653,404	7,296,514	55,518,231	16,793,832	2,388,998	1,704,106	86,355,085
Additions	-	-	3,777,671	5,310,754	-	726,088	9,814,513
Transfers	-	-	(226,181)	(126,114)	-	-	(352,295)
Disposals	-	(7,296,514)	(13,010,116)	(2,545,857)	(466,000)	(1,498,262)	(24,816,749)
At 30 September 2023	**2,653,404**	-	**46,059,605**	**19,432,615**	**1,922,998**	**931,932**	**71,000,554**
Accumulated depreciation							
At 1 October 2021	2,228,310	7,058,320	63,678,473	8,908,604	2,675,415	-	84,549,122
Charge for the year	31,635	292,977	3,080,476	2,768,276	24,583	-	6,197,947
Transfers	-	-	(129,046)	(17,052)	-	-	(146,098)
Disposals	(186,540)	(54,783)	(17,858,437)	(795,281)	(311,000)	-	(19,206,041)
At 1 October 2022	2,073,405	7,296,514	48,771,466	10,864,547	2,388,998	-	71,394,930
Charge for the year	116,000	-	4,526,779	3,523,067	-	-	8,165,846
Transfers	-	-	(255,919)	(96,192)	-	-	(352,110)
Disposals	-	(7,296,514)	(12,939,116)	(2,464,843)	(466,000)	-	(23,166,473)
At 30 September 2023	**2,189,405**	-	**40,103,210**	**11,826,579**	**1,922,998**	-	**56,042,192**
Net carrying amount							
At 30 September 2022	579,999	-	6,746,765	5,929,285	-	1,704,106	14,960,155
At 30 September 2023	**463,999**	-	**5,956,395**	**7,606,036**	-	**931,932**	**14,958,362**

Property, plant and equipment include buildings which have been constructed on land which has been assigned by Abu Dhabi National Hotels Company P.J.S.C., a shareholder.

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Notes to the financial statements

10 Intangible assets

	AED
Cost	
At 1 October 2021	14,078,261
Additions	-
Disposals	-
At 1 October 2022	14,078,261
Additions	289,550
Disposals	-
At 30 September 2023	**14,367,811**
Accumulated depreciation	
At 1 October 2021	13,717,944
Charge for the year	291,533
Disposals	-
At 1 October 2022	14,009,477
Charge for the year	72,800
Disposals	-
At 30 September 2023	**14,082,277**
Net carrying amount	
At 30 September 2022	68,784
At 30 September 2023	**285,534**

Intangible assets consists of software licenses procured from third parties. Amortisation expenses have been recorded in administrative expenses reported in statement of profit or loss and other comprehensive income

11 Right-of-use assets

	AED
Cost	
At 1 October 2021	44,559,113
Additions	82,839,265
Disposals	(27,106,432)
At 1 October 2022	100,291,946
Additions	42,791,680
Disposals	(12,844,855)
At 30 September 2023	**130,238,771**
Accumulated depreciation	
At 1 October 2021	21,904,111
Charge for the year	22,278,359
Disposals	(19,535,476)
At 1 October 2022	24,646,994
Charge for the year	31,468,505
Disposals	(12,533,273)
At 30 September 2023	**43,582,226**
Net carrying amount	
At 30 September 2022	75,644,952
At 30 September 2023	**86,656,545**

12 Inventories

	2023 AED	2022 AED
Food supplies	**4,288,383**	9,474,738
Operating supplies	**2,530,662**	4,362,407
	6,819,045	13,837,145

13 Trade and other receivables

	2023 AED	2022 AED
Trade receivables	**508,266,654**	483,701,131
Provision for doubtful debts	**(14,235,124)**	(17,538,679)
	494,031,530	466,162,452
Accrued income	**20,567,958**	37,970,905
Rebates receivables	**34,147,304**	32,512,027
Prepayment	**10,217,259**	28,407,006
Other receivables	**8,514,173**	7,484,337
	567,478,224	572,536,727

The average credit period on sale of goods or services is 45-60 days. No interest is charged on trade and other receivables.
The Company has adopted a policy of dealing with only creditworthy counterparties. Adequate credit assessment is made before accepting an order for provision of services from a counterparty. Out of the total trade receivables balance at the end of the year, AED 346,598,786 representing 68% of total trade receivables *(2022: AED 297,792,276 representing 62% of total trade receivables)* is due from four major customers. The Company considers these customers to be reputable and creditworthy.

Included in the Company's trade receivables balance are debtors with a carrying amount of AED 338,227,062 *(2022: AED 183,589,031)* which are past due at the end of the reporting period for which the Company has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Company does not hold any collateral over these balances.

Trade receivable ageing (gross):

	2023 AED	2022 AED
Not due	**170,039,592**	282,573,421
Due for 1 to 60 days	**123,863,651**	98,579,216
Due for 61 to 90 days	**56,106,769**	16,807,722
Due for 91 to 120 days	**38,641,774**	20,070,401
Due for 121 to 365 days	**112,124,223**	46,216,157
More than 365 days	**7,490,645**	19,454,214
	508,266,654	483,701,131

The movement in the allowance for doubtful receivables during the year was as follows:

	2023 AED	2022 AED
At 1 October	**17,538,679**	17,751,351
Write off bad debt	**(4,208,544)**	(224,731)
Impairment loss on trade receivables	**904,989**	12,059
At 30 September	**14,235,124**	17,538,679

14 Related party transactions and balances

Related parties represent major shareholders 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.

Related party	**Relationship**
Abu Dhabi National Hotels Company P.J.S.C	Shareholder
Abu Dhabi National Hotels Compass Emirates LLC	Fellow subsidiary
Compass Catering Services W.L.L.	Fellow subsidiary
Abu Dhabi National Hotels Compass LLC	Fellow subsidiary
Compass Group Holding PLC, UK	Fellow subsidiary
Al Ghazal Transport Company	Fellow subsidiary
Park Hyatt Abu Dhabi Hotels and Villas	Fellow subsidiary
Compass Arabia Co. Ltd	Fellow subsidiary
Le Meridien Abu Dhabi	Fellow subsidiary
Radisson Blu Hotel and Resort Abu Dhabi Al Ain	Fellow subsidiary
Radisson Blu Hotel and Resort Abu Dhabi	Fellow subsidiary
Sheraton Abu Dhabi Hotel & Resort	Fellow subsidiary
Al Diar Sawa Hotel Apartments	Fellow subsidiary
Al Diar Dana Hotel	Fellow subsidiary
Al Diar Mina Hotel	Fellow subsidiary
Sunshine Travel & Tours	Fellow subsidiary
The Ritz Carlton Abu Dhabi, Grand Canal	Fellow subsidiary
Compass Group Asia Pacific PTE Ltd	Fellow subsidiary

The volume of related party transactions, outstanding balances and related expenses and income for the year are as follows:

(a) *Transaction with key management personnel*

The key management personnel compensation included under staff costs is set out below:

	2023 **AED**	2022 AED
Salaries and other allowances	**8,725,144**	8,620,711
Post-employment / long term benefits	**416,890**	625,383

(b) *Other related party transactions*

	2023 **AED**	2022 AED
Revenue	**1,938,750**	1,265,082
Purchase of goods and services	**46,838,400**	57,813,555
Transfer of end of service benefits to a related party *(note 18)*	**2,951,097**	3,208,022

14 Related party transactions and balances *(continued)*

(b) Other related party transactions (continued)

	2023 AED	2022 AED
Transfers of property and equipment (note 9)	**184**	84,168
VAT related expenses	**(25,210,000)**	25,210,000
Lease agreement	**-**	318,559

Please refer to note 9 for buildings which have been constructed on land which has been assigned by Abu Dhabi National Hotels Company P.J.S.C., a shareholder.

Also refer to note 24 'Contingent liabilities' for certain arrangements with a related party.

(c) Due from related parties

	2023 AED	2022 AED
Abu Dhabi National Hotels Compass Emirates LLC	**24,793,797**	7,576,599
Compass Catering Services W.L.L.	**11,139**	5,334,052
Abu Dhabi National Hotels Compass LLC	**1,464,506**	1,835,741
Compass Group Holding PLC, UK	**-**	344,795
Abu Dhabi National Hotels Company P.J.S.C	**78,238**	87,665
Al Ghazal Transport Company	**114,941**	65,952
Park Hyatt Abu Dhabi Hotels and Villas	**14,131**	32,175
Compass Arabia Co. Ltd	**805**	17,813
Le Meridien Abu Dhabi	**8,241**	16,483
Radisson Blu Hotel and Resort Abu Dhabi	**18,796**	12,977
Al Ain Radisson Blu Hotel and Resort Abu Dhabi	**6,580**	8,281
Sheraton Abu Dhabi Hotel & Resort	**9,743**	8,063
Al Diar Sawa Hotel Apartments	**4,800**	3,200
Al Diar Dana Hotel	**1,897**	1,897
Al Diar Mina Hotel	**3,287**	1,643
The Ritz Carlton Abu Dhabi, Grand Canal	**510,814**	-
	27,041,715	15,347,336

14 Related party transactions and balances *(continued)*

(d) Due to related parties

	2023 AED	2022 AED
Al Ghazal Transport Company	**16,897,540**	17,781,087
Sunshine Travel & Tours	**3,524,797**	4,808,746
Abu Dhabi National Hotels Company P.J.S.C	**1,790,810**	502,594
The Ritz-Carlton Abu Dhabi, Grand Canal	**331**	26,381
Al Diar Dana Hotel	**-**	675
Compass Group Asia Pacific PTE Ltd	**161,590**	-
Compass Group Holding PLC	**802,849**	-
	23,177,917	23,119,483

15 Cash and cash equivalents

	2023 AED	2022 AED
Cash in hand	**853,617**	1,046,620
Cash at bank – current accounts	**164,843,711**	316,488,838
	165,697,328	317,535,458

16 Share capital

	Number of Shares	2023 and 2022 AED
Authorised, issued and fully paid (par value AED 1,000 per share)	**20,000**	**20,000,000**

	Number of Shares	2023 and 2022 AED
Abu Dhabi National Hotels Company P.J.S.C	**10,200**	**10,200,000**
Compass Group International B.V Netherland	**9,800**	**9,800,000**
	20,000	**20,000,000**

All shares rank equally with regard to the Company's residual assets. Holder of these shares is entitled to dividends as declared from time to time and entitled to one vote per share at general meetings of the Company.

During the year ended 30 September 2023, the Company paid dividends of AED 214,350,828 *(2022: AED 258,404,034)*.

The Company is under the ultimate joint control between Abu Dhabi National Hotels Company P.J.S.C. (a public joint stock company incorporated in Abu Dhabi) and Compass Group International B.V Netherland (a wholly owned subsidiary of Compass Company PLC incorporated in the United Kingdom).

17 Statutory reserve

In accordance with the Company's Articles of Association and in line with the provisions of the UAE Federal Law No.32 of 2021, the Company is required to transfer annually to a legal reserve account an amount equal to 5% of its annual profits until such reserve reaches 50% of the paid-up capital of the Company. This reserve is not available for distribution.

18 Employees' end of service benefits

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

	2023 AED	2022 AED
As 1 October	**117,377,324**	119,301,399
Charge for the year	**20,218,570**	27,850,617
Payment during the year	**(30,416,252)**	(32,982,714)
Transfers to related parties *(note 14)**	**2,951,097**	3,208,022
At 30 September	**110,130,739**	117,377,324

*Some employees have been transferred from a related company and accordingly, the provision for end of service benefits for these employees was also transferred.

19 Trade and other payables

	2023 AED	2022 AED
Trade payables	**175,227,568**	248,065,541
Accrued expenses	**181,084,191**	264,839,621
Other payables	**58,923,182**	45,677,487
	415,234,941	558,582,649

The average credit period on purchases of goods is 60 - 90 days. No interest is charged on the trade payables. The Company has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

20 Profit for the year

Profit for the year is stated after charging:

	2023 AED	2022 AED
Staff costs (note 7,8)	**562,856,397**	666,985,102
Depreciation of right of use assets (note 7,8)	**31,468,505**	22,278,359
Depreciation of property and equipment (note 7,8)	**8,165,846**	6,197,947
Amortisation of intangible assets (note 8)	**72,800**	291,533

21 Lease liabilities

	2023 AED	2022 AED
Lease liabilities	**77,971,210**	65,514,053

The terms and conditions of outstanding lease liabilities are as follows:

	Currency	Nominal Interest rate	Year of Maturity	30 September 2023 AED	30 September 2022 AED
Lease liabilities	AED	2.69%-3.8%	2023-2029	**77,971,210**	65,514,053

During the year an amount of AED 32,754,686 *(2022: AED 31,843,237)* was paid towards principal and AED 2,784,246 *(2022: AED 1,273,696)* was paid towards interest *(Note 25)*.

Lease liabilities – movement

	2023 AED	2022 AED
At 1 October	**65,514,053**	22,088,981
Additions during the year	**45,211,843**	75,268,309
Finance cost	**2,784,246**	1,273,696
Repayment during the year (principle + interest)	**(35,538,932)**	(33,116,933)
At 30 September	**77,971,210**	65,514,053

Lease liabilities is classified as follows:

	2023 AED	2022 AED
Current portion	**47,584,568**	20,332,949
Non-current portion	**30,386,642**	45,181,104
	77,971,210	65,514,053

21 Lease liabilities *(continued)*

The contractual cash flows for these loans are as follows:

		Contractual cash flows			
	Carrying Value AED	**Less than 1 Year AED**	**Between 1 - 5 years AED**	**Later than 5 Years AED**	**Total AED**
30 September 2023					
Lease liabilities	**77,971,210**	**47,584,568**	**30,386,642**	**-**	**77,971,210**
30 September 2022					
Lease liabilities	65,514,053	20,332,949	37,089,294	8,091,810	65,514,053

22 Financial instruments

Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return on equity. The Company's overall strategy remains unchanged from 2022.

Credit risk

Exposure to credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has no significant credit risk as a result of dealing with third parties. Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central banks of the respective countries. Trade receivables have a credit of 45 - 60 days and there has been no history of default. Amount due from related parties are recoverable on demand as and when the Company needs funding.

Concentration of credit risk arise when a number of counter-parties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Company's performance to developments affecting a particular industry or geographic location. All balances with banks represent local commercial banks.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Note	**2023 AED**	2022 AED
Trade and other receivables (excluding prepayment and accrued income)	*13*	**536,693,007**	506,158,816
Due from related parties	*14*	**27,041,715**	15,347,336
Cash at bank	*15*	**164,843,711**	316,488,838
		728,578,433	837,994,990

22 Financial instruments *(continued)*

***Credit risk** (continued)*

Amounts due from related parties
Related parties have been transacting with the Company since its inception and none of its balances have been written off or are credit-impaired at the reporting date.

As at the reporting date, management believes that impairment loss in relation to amount due from related parties is immaterial and accordingly has not established an allowance. The Company does not require collateral in respect of its amount due from related parties. The Company does not have amounts for which no loss allowance is recognised because of collateral.

Cash and bank balances
The Company held cash and cash equivalents of AED 165,697,328 at 30 September 2023 (30 September 2022: AED 317,535,458). The cash and cash equivalents are held with banks, which are rated A to Aa3, based on Moody's ratings.

Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash and cash equivalents have a low credit risk based on the external credit ratings of the counterparties

Liquidity risk

The maturity profile of financial liabilities at the end of the reporting period based on existing contractual repayment arrangements was as follows:

	Note	**Carrying Amount AED**	**Less than 1 year AED**	**1 to 5 years AED**
At 30 September 2023				
Trade and other payables	*19*	**415,234,941**	**415,234,941**	-
Due to related parties	*14*	**23,177,917**	**23,177,917**	-
Lease liabilities	*21*	**77,971,210**	**47,584,568**	**30,386,642**
		516,384,068	**485,997,426**	**30,386,642**
At 30 September 2022				
Trade and other payables	*19*	558,582,649	558,582,649	-
Due to related parties	*14*	23,119,483	23,119,483	-
Lease liabilities	*21*	65,514,053	20,332,949	45,181,104
		647,216,185	602,035,081	45,181,104

The amounts are gross and undiscounted and include estimated interest payments.

22 Financial instruments *(continued)*

Market risk

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect the net interest income of the Company. The Company is not exposed to cash flow or fair value interest rate risk.

Currency risk

The Company's transactions are primarily carried out in USD or AED. The stability of rate of exchange of the AED to the USD has been maintained since 1980. There have been no foreign currencies transactions.

Fair value of financial assets and liabilities

The Company measures all its financial assets and financial liabilities at amortised cost. Management considers that the fair values of financial assets and financial liabilities approximate their carrying values as stated in the consolidated financial statements. When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

23 Accounting estimates and judgements

In the process of applying the Company's accounting policies, which are described in note 3, management makes judgements that has the most significant effect on the amounts of assets and liabilities recognised in the financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

23 Accounting estimates and judgements *(continued)*

Impairment on receivables
The Company reviews its receivables to assess impairment at least on an annual basis. An estimate of the collectible amount of trade and other receivables is made when collection of the full amount is no longer probable. This determination of whether the receivables are impaired, entails Management evaluating, the specific credit and liquidity position of the customers and related parties and their historical recovery rates, including review of current economic environment. The difference between the estimated collectible amount and the recorded amount is recognised as an expense in profit or loss. Any difference between the amounts expected and the amounts actually collected in the future periods is recognised in profit or loss at the time of collection. Impairment of trade and other receivables at 30 September 2023 AED 14,235,124 (2022: AED 17,538,679).

Useful lives of property and equipment
Management assigns useful lives and residual values to the items of property and equipment based on the intended use of the assets and the expected economic lives of those assets. Subsequent changes in circumstances such as technological advances or prospective utilisation of the assets concerned could result in the actual useful lives or residual values differing from the initial estimates. Management has reviewed the residual values and useful lives of the major items of property and equipment and have determined that no adjustment is necessary.

Impairment of property and equipment
Property and equipment are assessed for impairment based on assessment of cash flows on individual cash generating units when there is indication of impairment. Cash flows are determined based on contractual agreements and estimations over the useful life of the assets and discounted using a range of discounting rates representing the rate of return on such cash generating units. The net present values are compared to the carrying amounts to assess any probable impairment. Impairment of property and equipment is AED Nil as at 30 September 2023 *(2022: AED Nil).*

Impairment on inventory obsolescence
Inventories are stated net of allowance for obsolescence. Management has considered the allowance required for inventory obsolescence based on the current economic environment and past obsolescence history. Management believes that no impairment is required as of 30 September 2023 and 2022.

Inventories
The Company has engaged Seven Seas Storage Management, a third party logistics service provider, for warehousing and delivery management services. As per the terms of the agreement, the service provider is not entitled to create any charge, lien or other encumbrance on the goods and legal title in the goods will at all times vest with the service provider until the goods are handed over to the Company at the delivery point. The service provider has also taken out and maintained insurance policies at its expense during the term of this agreement. Management has reviewed the detailed criteria under IAS 2 Inventories, the definition of an asset under the Framework and the terms of the agreement with Seven Seas Storage Management and is satisfied that the cost of inventories held at the Seven Seas Storage Management' warehouse at year end should not be recorded in the financial statements.

Revenue on expired contracts
The Company is in the process of renewing certain contracts which have expired as at the end of the reporting period. The Company has reviewed the detailed criteria under IFRS 15 Revenue Recognition and is satisfied that it is appropriate to recognise revenue for such cases on the basis of signed meal sheets and mandays in addition to other relevant documentary / ongoing negotiations. Management expects formal approval of these contracts to be highly probable.

24 Contingent liabilities

	2023 AED	2022 AED
Bank guarantees	**211,066,462**	209,167,915

The above bank guarantees were issued in the normal course of business. These include an amount of AED 9,400 (2022: AED 9,400) issued by a related party on behalf of the Company.

25 Leases

- *Leases in which the Company is a lessee*

Information about leases for which the Company is a lessee is presented below.

(a) *Right of use assets*

Refer to note 11 for movement in right-of-use assets during the year ended 30 September 2023.

(b) *Amounts recognised in statement of profit or loss*

	2023 AED	2022 AED
Depreciation of right-of-use assets	**31,468,505**	22,278,358
Interest on lease liabilities	**2,784,246**	1,273,696

(c) *Amounts recognised in statement of cash flows*

	2023 AED	2022 AED
Total cash outflow for leases	**35,538,932**	33,116,933

- *Leases in which the Company is a lessor*

The Company does not have any leases in the capacity of lessor.

26 Corporate tax

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

The Cabinet of Ministers Decision No. 116/2022 effective from 2023, specifies the threshold of income over which the 9% tax rate would apply and accordingly, the Law is now considered to be substantively enacted. A rate of 9% will apply to taxable income exceeding AED 375,000, a rate of 0% will apply to taxable income not exceeding AED 375,000. The Company has assessed the possible impact on the financial statements, and concluded that the results for the nine-month period ended 30 September 2023 are not impacted by the transition requirements. For the Company, current taxes shall be accounted for as appropriate in the financial statements for the period beginning 1 September 2023.

In accordance with IAS 12 Income Taxes, the related deferred tax accounting impact has been considered for the financial year ended 30 September 2023. Since the corporate tax was introduced only recently, this may create tax risks in UAE that are more significant than in other countries. The Company has assessed the deferred tax implications for the nine months ended 30 September 2023 and, after considering its interpretations of applicable tax law, official pronouncements, cabinet decisions and ministerial decisions (especially with regard to transition rules), it has been concluded that it is not expected to be material. The Company shall continue to monitor critical Cabinet Decisions to determine the impact on the Company, from deferred tax perspective.

27 Date of authorisation for issue

The financial statements were approved and authorised for issue by the Board of Directors in its meeting held on 1.6.JAN..2024

Abu Dhabi National Hotels Company Compass Middle East LLC

Financial statements

30 September 2022

Principal business address:
P.O. Box: 109767
Abu Dhabi
United Arab Emirates

Abu Dhabi National Hotels Company Compass Middle East LLC

Financial statements

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Abu Dhabi National Hotels Company Compass Middle East LLC

Directors' Report

for the year ended 30 September 2022

The Directors have pleasure in submitting their report, together with the audited financial statements of Abu Dhabi National Hotels Company Compass Middle East LLC (the "Company") for the year ended 30 September 2022.

Principal activities

The principal activities of the Company are to provide catering, cleaning and other services to hospitals, camps, onshore and offshore oilfields, defense / military, airports, shopping malls, universities and schools, palaces and other facilities. The Company also manages restaurants.

Financial results

The results of the Company for the year are set out on page 7 of the financial statements.

Going concern basis

The Board of Directors has reasonable expectation that the Company has adequate resources and support to continue its operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements for the year ended 30 September 2022.

Transactions with related Parties

The financial statements disclose related party transactions and balances in note 14. All transactions are carried out as part of our normal course of business and in compliance with applicable laws and regulations.

Directors

The Directors who served during the year were:
Ahmed Khalifa Al Mehairi
David Rees (appointed on 11 November 2021)
Khalid Anib
Petros Parras
Venkatesh Shantaram (resigned on 11 November 2021)

Auditors

KPMG were appointed as external auditors for the Company for the year ended 30 September 2022. KPMG have expressed their willingness to continue in office. A shareholder resolution for the reappointment of KPMG is proposed and to absolve them of their responsibility for the year ended 30 September 2022.

On behalf of the Board

Chairman

15 DEC 2022

KPMG Lower Gulf Limited
Level 19, Nation Tower 2
Corniche Road, P.O. Box 7613
Abu Dhabi, United Arab Emirates
Tel. +971 (2) 401 4800, www.kpmg.com/ae

Independent auditors' report

To the Shareholders of Abu Dhabi National Hotels Company Compass Middle East LLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Abu Dhabi National Hotels Company Compass Middle East LLC ("the Company"), which comprise the statement of financial position as at 30 September 2022, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 30 September 2022, 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 *Auditors' 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 financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

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

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

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and their preparation in compliance with the applicable provisions of the UAE Federal Law No. (2) of 2015 (as amended) and the UAE Federal Decree Law No. 32 of 2021, as applicable during the year, 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.

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

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

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

— Identify and assess the risks of material misstatement of the 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.

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

- 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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' 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, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

Further, as required by UAE Federal Law No. (2) of 2015 (as amended) and the UAE Federal Decree Law No. 32 of 2021 (referred to as "applicable laws"), we report that for the year ended 30 September 2022:

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

ii) the financial statements have been prepared and comply, in all material respects, with the applicable provisions of the applicable laws;

iii) the Company has maintained proper books of account;

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

v) as disclosed in note 1 to the financial statements, the Company has not purchased any shares during the year ended 30 September 2022;

vi) note 14 to the financial statements discloses material related party transactions and the terms under which they were conducted; and

Report on Other Legal and Regulatory Requirements (continued)

vii) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended 30 September 2022 any of the applicable provisions of the applicable laws or its Articles of Association, which would materially affect its activities or its financial position as at 30 September 2022;

KPMG Lower Gulf Limited

Saif Fayez Shawer
Registration No.: 1131
Abu Dhabi, United Arab Emirates

Date: 15 DEC 2022

Abu Dhabi National Hotels Company Compass Middle East LLC

Statement of financial position

as at 30 September

	Note	2022 AED	2021 AED
Assets			
Non-current assets			
Property, plant and equipment	*9*	**14,960,155**	11,903,789
Intangible assets	*10*	**68,784**	360,317
Right-of-use assets	*11*	**75,644,952**	22,655,002
Total non-current assets		**90,673,891**	34,919,108
Current assets			
Inventories	*12*	**13,837,145**	18,022,660
Trade and other receivables	*13*	**572,536,727**	638,502,048
Due from related parties	*14*	**15,347,336**	35,259,564
Cash and cash equivalents	*15*	**317,535,458**	297,920,795
Total current assets		**919,256,666**	989,705,067
Total assets		**1,009,930,557**	1,024,624,175
Equity and liabilities			
Equity			
Share capital	*16*	**20,000,000**	20,000,000
Statutory reserve	*17*	**10,000,000**	10,000,000
Retained earnings		**215,337,048**	259,390,254
Total equity		**245,337,048**	289,390,254
Liabilities			
Non-current liabilities			
Provision for employees' end of service benefits	*18*	**117,377,324**	119,301,399
Lease liabilities	*19*	**45,181,104**	3,499,484
Total non-current liabilities		**162,558,428**	122,800,883
Current liabilities			
Trade and other payables	*20*	**558,582,649**	570,922,106
Due to related parties	*14*	**23,119,483**	22,921,435
Lease liabilities	*19*	**20,332,949**	18,589,497
Total current liabilities		**602,035,081**	612,433,038
Total liabilities		**764,593,509**	735,233,921
Total equity and liabilities		**1,009,930,557**	1,024,624,175

To the best of our knowledge the financial statements of the Company fairly presents, in all material respects, the financial position, results of operations and cash flows of the Company as of and for the year ended 30 September 2022.

Chairman *CEO-Middle East*

The notes set out on pages 11 to 44 form an integral part of these financial statements.

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

Abu Dhabi National Hotels Company Compass Middle East LLC

Statement of profit or loss and other comprehensive income
for the year ended 30 September

	Note	2022 AED	2021 AED
Revenue	*6*	**1,618,027,566**	1,636,764,400
Cost of revenue	*7*	**(1,329,107,824)**	(1,316,651,409)
Gross profit		**288,919,742**	320,112,991
Administrative expenses	*8*	**(75,435,002)**	(62,909,699)
Impairment loss on trade receivables	*13*	**(12,059)**	(240,540)
Other income		**2,148,910**	2,162,674
Finance income		**2,933**	6,104
Finance costs		**(1,273,696)**	(727,495)
Profit for the year		**214,350,828**	258,404,035
Other comprehensive income		-	-
Total comprehensive income for the year		**214,350,828**	258,404,035

The notes set out on pages 11 to 44 form an integral part of these financial statements.

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

Abu Dhabi National Hotels Company Compass Middle East LLC

Statement of changes in equity
for the year ended 30 September

	Share capital AED *(note 16)*	**Statutory reserve AED** *(note 17)*	**Retained earnings AED**	**Total equity AED**
Balance at 1 October 2020	20,000,000	10,000,000	150,445,277	180,445,277
Profit for the year	-	-	258,404,035	258,404,035
Dividends *(note 16)*	-	-	(149,459,058)	(149,459,058)
Balance at 30 September 2021	20,000,000	10,000,000	259,390,254	289,390,254
Balance at 1 October 2021	20,000,000	10,000,000	259,390,254	289,390,254
Profit for the year	-	-	214,350,828	214,350,828
Dividends *(note 16)*	-	-	(258,404,034)	(258,404,034)
Balance at 30 September 2022	**20,000,000**	**10,000,000**	**215,337,048**	**245,337,048**

The notes set out on pages 11 to 44 form an integral part of these financial statements.

Abu Dhabi National Hotels Company Compass Middle East LLC

Statement of cash flows
for the year ended 30 September

	Note	**2022 AED**	2021 AED
Cash flows from operating activities			
Profit for the year		**214,350,828**	258,404,035
Adjustments for:			
Depreciation of property, plant and equipment	*9*	**6,197,947**	9,115,848
(Gain) / loss on disposal of property, plant and equipment	*9*	**(1,711,166)**	116,928
Amortisation of intangible assets	*10*	**291,533**	309,437
Depreciation of right-of-use assets	*11*	**22,278,359**	18,669,246
Impairment loss on trade receivables	*13*	**12,059**	240,540
Finance income		**(2,933)**	(6,104)
Provision for employees' end of service benefits	*18*	**27,850,617**	21,149,730
Finance cost		**1,273,696**	727,495
		270,540,940	308,727,155
Changes in:			
- Inventories	*12*	**4,185,515**	4,761,533
- Trade and other receivables	*13*	**65,953,262**	12,965,967
- Due from related parties	*14*	**23,204,418**	(21,588,200)
- Trade and other payables	*20*	**(12,339,457)**	(53,935,163)
- Due to relates parties	*14*	**198,048**	46,089
Cash generated from operations		**351,742,726**	250,977,381
Employees' end of service benefits paid	*18*	**(32,982,714)**	(16,247,822)
Net cash generated from operating activities		**318,760,012**	234,729,559
Cash flows from investing activities			
Acquisition of property, plant and equipment	*9*	**(9,744,122)**	(7,718,366)
Proceeds from sale of property, plant and equipment	*9*	**2,116,807**	171,489
Interest received		**2,933**	6,104
Net cash used in investing activities		**(7,624,382)**	(7,540,773)
Cash flows used in financing activities			
Dividends paid	*16*	**(258,404,034)**	(149,459,058)
Lease liabilities paid	*25*	**(33,116,933)**	(19,146,679)
Net cash used in financing activities		**(291,520,967)**	(168,605,737)
Net increase in cash and cash equivalents		**19,614,663**	58,583,049
Cash and cash equivalents at 1 October	*15*	**297,920,795**	239,337,746
Cash and cash equivalents at 30 September	*15*	**317,535,458**	297,920,795

Abu Dhabi National Hotels Company Compass Middle East LLC

Statement of cash flows *(continued)*
for the year ended 30 September

	Note	**2022 AED**	2021 AED
Non-cash transactions:			
Transfers of property, plant and equipment *(net)*	*9, 14*	**84,168**	177,861
Additions of right of use assets	*11, 14*	**82,839,265**	7,614,691
Disposals of right of use assets	*11*	**7,570,956**	-
Net liabilities assumed by related parties	*14*	**3,292,190**	1,905,603
Transfer of employees' end of service benefits	*14, 18*	**3,208,022**	1,727,742
Recognition of lease liabilities		**82,839,265**	7,614,691
De-recognition of lease liabilities		**7,570,956**	-

The notes set out on pages 11 to 44 form an integral part of these financial statements.

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

1 Legal status and principal activities

Abu Dhabi National Hotels Company Compass Middle East LLC ("the Company") was established in Abu Dhabi on 3 October 2000 as a joint venture between Abu Dhabi National Hotels Company P.J.S.C. (a public joint stock company incorporated in Abu Dhabi) and Compass Group International B.V Netherland (a wholly owned subsidiary of Compass Group PLC incorporated in the United Kingdom).

The principal activities of the Company are provision of catering, cleaning and other services to hospitals, camps, onshore and offshore oilfields, defense / military, airports, shopping malls, universities and schools, palaces and other facilities. The Company also manages restaurants.

The registered address of the Company is P.O. Box: 109767, Abu Dhabi, United Arab Emirates.

The Company has not purchased any shares during the year ended 30 September 2022.

2 Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") and the applicable provisions of UAE Federal Law No. (2) of 2015 (as amended).

The Company is required, for the year ended 30 September 2022, to be in compliance with the provisions of the UAE Federal Law No. 2 of 2015 (as amended). On 20 September 2021, the UAE Federal Decree Law No. 32 of 2021 was issued and came into effect on 2 January 2022 which repealed the UAE Federal Law No. 2 of 2015 (as amended). The Company has 12 months from 2 January 2022 to comply with the provisions of the UAE Federal Decree Law No 32 of 2021. The Company is in the process of reviewing the new provisions and will apply the requirements thereof no later than one year from the date on which the amendments came into effect.

(b) Basis of measurement

These financial statements have been prepared under the historical cost basis.

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

2 Basis of preparation *(continued)*

(d) Use of estimates and judgements (continued)

Information about critical judgements, estimates and assumptions in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in note 23.

(e) Impact of Coronavirus

The coronavirus outbreak since early 2020 has brought about additional uncertainties in the Company's operating environment.

The Company has been closely monitoring the impact of the developments on the Company's businesses and has put in place contingency measures. These contingency measures include business continuity plans across the Company. Critical business continuity is identified in order to ensure full functionality of the Company's systems to protect the core operations.

As far as the Company's businesses are concerned, the Company is continually committed to meet the operational targets, without compromising health, safety and environment (HSE) and asset integrity. Operational and capital costs are funded without delay or interruption, through projects with the national oil company. As the situation is fast evolving, the effect of the outbreak is subject to significant levels of uncertainty, with the full range of possible effects unknown.

Management applied its judgement in determining the impact of this uncertainty and has prepared the financial information on a going concern basis as operations has not been largely affected by coronavirus and the Company's major customers have been remitting payments promptly.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all years presented in these financial statements.

(a) Revenue recognition

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. Under IFRS 15, revenue is measured based on the consideration specified in a contract with a customer and excludes amount collected on behalf of third parties. The Company recognises revenue when it transfers control over product or service to a customer. The Company recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the Company; and when specific criteria have been met as described below:

i. Sale of goods

Revenue is recognised when a customer obtains control of the goods. For some contracts wherein the shipping and handling activities are performed after the transfer of goods to the customer, the customer controls the goods once it reaches their respective ports. The revenue from these contracts will be recognised as the goods reaches to the ports.

3 Significant accounting policies *(continued)*

(a) ***Revenue recognition*** *(continued)*

i. ***Sale of goods*** *(continued)*

The Company's assessment indicates that this will be regarded as a separate performance obligation and revenue allocation of a transaction price will be required as well as the shipping and handling costs for these contracts is recongised over time – i.e. when the goods are delivered to customers' ports.

For certain contracts that permit the customer to return an item, revenue is currently recognised when a reasonable estimate of the returns can be made, provided that all other criteria for revenue recognition are met. If a reasonable estimate cannot be made, then revenue recognition is deferred until the return period lapses or a reasonable estimate of returns can be made.

Under IFRS 15, revenue is recognised for these contracts to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognised will not occur. As a consequence, for those contracts for which the Company is unable to make reasonable estimate of return, revenue is expected to be recognised sooner than when the return period lapses or a reasonable estimate can be made.

ii. ***Rendering of services***

Income from catering services, manpower services, laundry services and other services are recognised in the accounting period when the related services have been performed and accepted by the customers and there are no significant uncertainties regarding recovery of the consideration due, associated costs or the rejection of the services provided. Revenue is stated net of discounts and returns.

If the Company acts in the capacity of an agent rather than as the principal in a transaction, then the revenue recognised is the net amount of costs made by the Company.

For the accounting policy for onerous contracts, please refer to 3(m).

(b) ***Property, plant and equipment***

Recognition and measurement
Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Historical cost includes expenditures that are directly attributable to the acquisition of the asset.

Subsequent costs
Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance is expensed as incurred.

Depreciation
Items of property, plant and equipment are depreciated on a straight-line basis in statement of profit or loss and other comprehensive income over the estimated useful lives of each component.

3 Significant accounting policies *(continued)*

(b) ***Property, plant and equipment*** *(continued)*

Depreciation (continued)

The estimated useful lives for the current and comparative periods are as follows:

	Years
Leasehold improvements	5 to 10
Buildings	25
Operating equipment	3 to 5
Furniture, fixtures and office equipment	3 to 4
Motor vehicles	3 to 4

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

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss and other comprehensive income.

(c) ***Intangible assets***

Intangible assets are reported at cost less accumulated amortisation and impairment losses. Amortisation is charged on a straight-line basis over their estimated useful lives of 3 to 5 years. The estimated useful life and amortisation method are reviewed at each reporting date, with the effect of any changes in estimate being accounted for on a prospective basis. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

(d) ***Capital work-in-progress***

Capital work-in-progress is stated at cost. All costs directly attributable to bringing the asset to the location and condition necessary for it to be used in the manner intended by management are included in the construction cost. No depreciation is charged on such assets until available for use. When commissioned, capital work-in-progress is transferred to the appropriate property, plant and equipment and intangible asset category and depreciated in accordance with the Company's policies.

(e) ***Inventories***

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and those overheads that have been incurred in bringing the inventories to their present location and condition and is calculated using the weighted average costing method. Net realisable value represents the estimated selling price less all estimated costs to be incurred in marketing, selling and distribution.

3 Significant accounting policies *(continued)*

(f) Trade and other receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is due in one year or less (or in the normal operating cycle of the business if longer), these are classified as current assets. If not, these are presented as non-current assets. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

(g) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand, current accounts and deposits with banks with original maturities of three months or less, net of margin deposits, if any.

(h) Share capital

Share capital represents the nominal (par) value of shares that have been issued to the shareholder. The Company may issue shares up to its authorised share capital. Each share has a nominal (par) value of AED 1,000. The Company may issue 1 share against each capital contribution (regardless of the amount contributed) or it may also elect to issue one share against multiple contributions received by the Company during a given reporting period.

(i) Dividends paid to shareholder

Dividends paid by the Company to its shareholders are first paid out of distributable profits to the extent available.

(j) Employees' end of service benefits

Provision is made for the full amount of end of service benefits due to employees in accordance with the UAE Labour Law, for their period of service up to the end of the reporting period. The accrual relating to annual leave and leave passage is disclosed as a current liability, while the provision relating to end of service benefits is disclosed as a non-current liability.

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

With respect to UAE nationals employed by the Company, the Company makes contributions to the relevant UAE Government pension scheme calculated as a percentage of the employees' salaries. The obligations under these schemes are limited to these contributions, which are expensed when due.

3 Significant accounting policies *(continued)*

(k) Leases – Right-of-use assets and lease liabilities

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

i. As a lessee

At the commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Company has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

3 Significant accounting policies *(continued)*

(k) ***Leases – Right-of-use assets and lease liabilities*** *(continued)*

i. ***As a lessee*** *(continued)*

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents 'right-of-use assets' and 'lease liabilities' as separate line items in the statement of financial position.

Short-term leases and leases of low-value assets
The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

ii. ***As a lessor***

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Company applies IFRS 15 to allocate the consideration in the contract.

3 Significant accounting policies *(continued)*

(k) ***Leases – Right-of-use assets and lease liabilities*** *(continued)*

ii. ***As a lessor*** *(continued)*

The Company applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.
The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other revenue'.

Generally, the accounting policies applicable to the Company as a lessor in the comparative period were not different from IFRS 16 except for the classification of the sub-lease entered into during current reporting period that resulted in a finance lease classification.

(l) ***Trade and other payables***

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers, and are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(m) ***Provisions***

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

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

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

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and expected net cost of continuing with the contract, which is determined based on incremental costs necessary to fulfill the obligation under the contract. Before a provision is established, the Company recognises an impairment loss on the assets associated with that contract.

3 Significant accounting policies *(continued)*

(n) Foreign currencies

Transactions in currencies other than UAE Dirham ("AED") are recorded at the exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in profit or loss and other comprehensive income in the period in which they arise.

(o) Financial instruments

i. Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:
- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

3 Significant accounting policies *(continued)*

(o) *Financial instruments (continued)*

ii. *Classification and subsequent measurement (continued)*

Financial assets *(continued)*

Financial assets – Business Model Assessment:
The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Company's management;
- The risk that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior period, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest:

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

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

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

3 Significant accounting policies *(continued)*

(o) ***Financial instruments*** *(continued)*

ii. ***Classification and subsequent measurement*** *(continued)*

Financial assets *(continued)*

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest: *(continued)*

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets – Subsequent measurement and gains and losses

Financial asset at FVTPL
These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the statement of profit or loss and other comprehensive income.

Financial asset at amortised cost
These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in the statement profit or loss and other comprehensive income.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Financial liabilities mainly comprise trade and other payables and due to related parties. These are initially recognised at fair value and subsequently stated at amortised cost using the effective interest method.

3 Significant accounting policies *(continued)*

(o) Financial instruments (continued)

iii. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. The Company enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

iv. Offsetting

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

v. Impairment

Non-derivative financial assets

The Company recognizes loss allowances for ECLs on financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured at 12-month ECLs. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

3 Significant accounting policies *(continued)*

(o) ***Financial instruments*** *(continued)*

v. ***Impairment*** *(continued)*

Non-derivative financial assets *(continued)*

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly based on significant judgement. Specific factors management considers include the age of balance, background of the customers, existence of disputes, recent historical payment patterns and any other available information concerning the creditworthiness of the counterparty.

The Company considers a financial asset to be in default when the borrower is unlikely to pay its debt obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held).

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;

3 Significant accounting policies *(continued)*

(o) ***Financial instruments*** *(continued)*

v. ***Impairment*** *(continued)*

Non-derivative financial assets *(continued)*

Evidence that a financial asset is credit impaired includes the following observable data: *(continued)*

- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities FVOCI, the loss allowance is charged to profit or loss and is recognized in OCI.

Non - financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in the statement of profit or loss and other comprehensive income. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

vi. ***Write-off***

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of financial asset in its entirety or a portion thereof. For corporate customers the Company individually makes an assessment with respect to the timing and amount of write off based on whether there is a reasonable expectation of recovering. The Company expects no significant recovery from the amount written off. However, financial assets that are good enough could still be subject to enforcement activities in order to comply with the Company's procedure for recovery of amounts due.

4 Changes in significant accounting policies and disclosures

4.1 New currently effective standards

The Company applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2021. The nature and effect of these changes, if any, are disclosed below. Although these new standards and amendments were applied for the first time during the year ended 30 September 2022, they did not have a material impact on the annual financial statements of the Company.

New currently effective standards	**Effective for annual periods beginning on or after**
Interest rate benchmark reforms – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16.	1 January 2021
COVID-19 related rent concessions (Amendment to IFRS 16)	1 April 2021

Other than the above, there are no other significant IFRSs and amendments that were effective for the first time for the financial year beginning on or after 1 January 2021.

4.2 Standards issued but not yet effective

A number of new standards are effective for annual periods beginning after 1 January 2022 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements. Management anticipates that these new and revised standards, interpretations and amendments will be adopted in the Company's financial statements for the year beginning 1 October 2021 or as and when they are applicable and adoption of these new standards, interpretations and amendments may have no material impact on the financial statements of the Company in the period of initial application.

Standards issued but not yet effective	**Effective for annual periods beginning on or after**
Onerous Contracts – Cost of fulfilling a Contract (Amendment to IAS 37)	1 January 2022
Annual Improvements to IFRS Standards 2018-2020	1 January 2022
Property, plant and Equipment: Proceeds before Intended Use (Amendment to IAS 16)	1 January 2022
Reference to Conceptual Framework (Amendments to IFRS 3)	1 January 2022
Classification of Liabilities as Current or Non-current – Amendments to IAS 1	1 January 2023
Disclosure of Accounting policies – Amendments to IAS 1 and IFRS Practice Statement 2	1 January 2023
Definition of Accounting Estimate – Amendments to IAS 8	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	1 January 2023
IFRS 17 *Insurance Contracts*	1 January 2023
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Effective date deferred indefinitely.

Management anticipates that when they are applicable and adoption of these new and revised standards, interpretations and amendments may have no material impact on the financial statements of the Company in the period of initial application.

5 Financial risk management

Overview

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Board of Directors oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included in note 22 to these financial statements.

The senior management has overall responsibility for the establishment and oversight of the Company's risk management framework and is responsible for developing and monitoring the Company's risk management policies.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations and arises principally from the Company's cash balances held with bank, receivables from customers and related parties.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Company's customer base, including the default risk of the industry and country, in which customers operate, has less of an influence on credit risk. Refer to note 13 and 22 for concentration of credit risk.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main component of this allowance is a specific loss component that relates to individually significant exposures.

Cash and cash equivalents are held with high-credit-quality financial institutions.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

5 Financial risk management *(continued)*

(b) Liquidity risk (continued)

The Company ensures that it has sufficient cash on demand to meet expected operational expenses for a short term period, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk
The Company does not have any borrowings and accordingly is not adversely affected by interest rate risks.

Currency risk
Currency risk is limited as the Company's transactions are primarily denominated in USD and AED. The stability of the rate of exchange of AED to USD has been maintained since 1980.

Price risk
Price risk relates to the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company does not have investments in securities and is not exposed to equity price risk.

Capital Risk Management

The Company defines capital as share capital, statutory reserve and retained earnings. The primary objective of the Company's capital management is to avoid permanent impairment of capital in order to provide returns for the shareholders. To maintain or adjust the capital structure, the Company may align the dividend payment to shareholders, return capital to shareholders, issue new shares, obtain new borrowings or sell assets to reduce borrowings. The overall objective remains unchanged during the year ended 30 September 2022. The Company has a combination of debt and equity to maintain a sound capital position to support the investment activities of the Company. Activities are assessed based on their risk and rewards and can be financed through debt or equity. To date, debt has been utilised on a conservative basis so as to enhance returns to investors both in a tax efficient and risk adverse manner. Other than certain requirements of the UAE Federal Law No. (2) of 2015 (as amended), there were no externally imposed capital requirements which the Company must comply with.

6 Revenue

	2022 AED	2021 AED
Catering services	**994,518,094**	982,618,602
Manpower services	**331,137,269**	339,026,209
Fixed fee services	**159,682,593**	141,907,898
Food and beverage supplies revenue - back charge	**74,571,448**	65,134,290
Nonfood supplies revenue - back charge	**34,187,635**	74,078,890
Laundry services	**15,817,658**	19,455,011
Shop sales	**4,875,744**	6,591,933
Other revenues	**3,237,125**	7,951,567
	1,618,027,566	1,636,764,400

Fixed fee pertains to revenue generated from various services provided where the customer pays a fixed fee per month for the service provided as per the agreement. Services provided as per the fixed fee include cleaning, pest control, and housekeeping.

7 Cost of revenue

	2022 AED	2021 AED
Staff costs	**612,205,562**	620,307,228
Costs of materials	**558,914,090**	544,518,418
Rent expenses (short term or low values)	**32,640,367**	32,086,241
Transportation	**22,120,085**	21,767,517
Maintenance expenses	**21,351,359**	29,242,447
Depreciation of right-of-use assets	**20,322,077**	16,983,310
Hire charges	**17,362,195**	9,526,363
Other cost of sales	**13,166,163**	10,541,951
Depreciation of property, plant and equipment	**5,692,229**	8,597,940
License fees	**1,251,750**	738,614
Insurance	**1,010,927**	1,047,497
Amortisation of intangible assets	**17,902**	35,803
Vehicle hire	**14,827**	432,859
Others	**23,038,291**	20,825,221
	1,329,107,824	1,316,651,409

8 Administrative expenses

	2022 AED	2021 AED
Staff costs	**54,779,540**	47,942,364
Maintenance expenses	**11,553,236**	5,440,464
License fees	**3,216,999**	2,637,856
Other cost of sales	**2,255,338**	2,734,552
Depreciation of right-of-use assets	**1,956,282**	1,685,936
Depreciation of property, plant and equipment	**505,718**	517,908
Rent expenses	**418,714**	502,733
Amortisation of intangible assets	**273,631**	273,634
Transportation	**35,107**	400
Hire Charges	**9,500**	-
Vehicle hire	-	21,875
Insurance	-	13,465
Others	**430,937**	1,138,512
	75,435,002	62,909,699

9 Property, plant and equipment

	Leasehold improvements AED	Buildings AED	Operating equipment AED	Furniture, fixtures and office equipment AED	Motor vehicles AED	Capital work-in-progress AED	Total AED
Cost							
At 1 October 2020	3,683,921	7,595,903	72,140,251	13,029,713	2,722,898	789,313	99,961,999
Additions	-	-	5,884,483	2,198,076	-	(364,193)	7,718,366
Transfers, net	-	-	(178,028)	(24,090)	535,000	-	332,882
Disposals	(1,423,977)	(131,685)	(6,779,153)	(2,667,621)	(557,900)	-	(11,560,336)
At 1 October 2021	2,259,944	7,464,218	71,067,553	12,536,078	2,699,998	425,120	96,452,911
Additions	580,000	-	2,706,020	5,179,116	-	1,278,986	9,744,122
Transfers, net	-	-	(234,151)	3,885	-	-	(230,266)
Disposals	(186,540)	(167,704)	(18,021,191)	(925,247)	(311,000)	-	(19,611,682)
At 30 September 2022	**2,653,404**	**7,296,514**	**55,518,231**	**16,793,832**	**2,388,998**	**1,704,106**	**86,355,085**
Accumulated depreciation							
At 1 October 2020	3,546,473	6,854,857	63,975,365	9,193,940	2,623,815	-	86,194,450
Charge for the year	105,814	335,148	6,389,204	2,211,182	74,500	-	9,115,848
Transfers, net	-	-	(11,994)	(12,263)	535,000	-	510,743
Disposals	(1,423,977)	(131,685)	(6,674,102)	(2,484,255)	(557,900)	-	(11,271,919)
At 1 October 2021	2,228,310	7,058,320	63,678,473	8,908,604	2,675,415	-	84,549,122
Charge for the year	31,635	292,977	3,080,476	2,768,276	24,583	-	6,197,947
Transfers, net	-	-	(129,046)	(17,052)	-	-	(146,098)
Disposals	(186,540)	(54,783)	(17,858,437)	(795,281)	(311,000)	-	(19,206,041)
At 30 September 2022	**2,073,405**	**7,296,514**	**48,771,466**	**10,864,547**	**2,388,998**	-	**71,394,930**
Net carrying amount							
At 30 September 2021	31,634	405,898	7,389,080	3,627,474	24,583	425,120	11,903,789
At 30 September 2022	**579,999**	-	**6,746,765**	**5,929,285**	-	**1,704,106**	**14,960,155**

Property, plant and equipment include buildings which have been constructed on land which has been assigned by Abu Dhabi National Hotels Company P.J.S.C., a shareholder.

Abu Dhabi National Hotels Company Compass Middle East LLC

Notes to the financial statements

10 Intangible assets

	Software AED
Cost	
At 1 October 2020	14,238,208
Additions	-
Disposals	(159,947)
At 1 October 2021	14,078,261
Additions	-
Disposals	-
At 30 September 2022	**14,078,261**
Accumulated amortisation	
At 1 October 2020	13,568,454
Charge for the year	309,437
Disposals	(159,947)
At 1 October 2021	13,717,944
Charge for the year	291,533
Disposals	-
At 30 September 2022	**14,009,477**
Net carrying amount	
At 30 September 2021	360,317
At 30 September 2022	**68,784**

Intangible assets consists of software licenses procured from third parties. Amortisation expenses have been recorded in administrative expenses reported in statement of profit or loss and other comprehensive income

11 Right-of-use assets

	AED
Cost	
At 1 October 2020	36,944,422
Additions	7,614,691
At 1 October 2021	44,559,113
Additions	82,839,265
Disposals	(27,106,432)
At 30 September 2022	**100,291,946**
Accumulated depreciation	
At 1 October 2020	3,234,865
Charge for the year	18,669,246
At 1 October 2021	21,904,111
Charge for the year	22,278,359
Disposals	(19,535,476)
At 30 September 2022	**24,646,994**
Net carrying amount	
At 30 September 2021	22,655,002
At 30 September 2022	**75,644,952**

12 Inventories

	2022 AED	2021 AED
Food supplies	**9,474,738**	11,276,730
Operating supplies	**4,362,407**	6,745,930
	13,837,145	18,022,660

13 Trade and other receivables

	2022 AED	2021 AED
Trade receivables	**483,701,131**	548,836,576
Allowance for doubtful receivables	**(17,538,679)**	(17,751,351)
	466,162,452	531,085,225
Accrued income	**37,970,905**	58,585,929
Rebates receivables	**32,512,027**	-
Prepayment	**28,407,006**	31,605,416
Other receivables	**7,484,337**	17,225,478
	572,536,727	638,502,048

13 Trade and other receivables *(continued)*

The average credit period on sale of goods or services is 45 - 60 days. No interest is charged on trade and other receivables.

The Company has adopted a policy of dealing with only creditworthy counterparties. Adequate credit assessment is made before entering into a contract with a customer. Out of the total trade receivables balance at the end of the year, AED 297,792,276 representing 62% of total trade receivables *(2021: AED 367,362,873 representing 67% of total trade receivables)* is due from four major customers. The Company considers these customers to be reputable and creditworthy.

Included in the Company's trade receivable balance are debtors with a carrying amount of AED 183,589,031 *(2021: AED 295,773,445)* which are past due at the reporting date for which the Company has not recognized a provision for doubtful receivable as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Company does not hold any collateral over these balances.

The movement in the allowance for doubtful receivables during the year was as follows:

	2022 AED	2021 AED
Opening balance	**17,751,351**	18,153,997
Impairment loss during the year	**12,059**	240,540
Write off	**(224,731)**	(643,186)
Closing balance	**17,538,679**	17,751,351

Trade receivable ageing *(gross)*:

	2022 AED	2021 AED
Not due	**282,573,421**	235,311,780
Due for 1 to 60 days	**98,579,216**	149,324,532
Due for 61 to 90 days	**16,807,722**	19,969,321
Due for 91 to 120 days	**20,070,401**	34,287,594
Due for 121 to 365 days	**46,216,157**	89,636,725
More than 365 days	**19,454,214**	20,306,624
	483,701,131	548,836,576

14 Related party transactions and balances

Related parties comprise the Shareholders of the Company, the directors and those enterprises over which the Shareholders, the directors or the Company can exercise significant influence or which can significantly influence the Company. In the ordinary course of business, the Company receives goods and services from, and provides goods and services to, such enterprises on rates, terms and conditions agreed between the parties.

14 Related party transactions and balances *(continued)*

The volume of related party transactions, outstanding balances and related expenses and income for the year are as follows:

(a) *Transaction with key management personnel*

The key management personnel compensation included under staff costs is set out below:

	2022 AED	2021 AED
Salaries and other allowances	**8,620,711**	8,352,942
Post-employment / long term benefits	625,383	653,125

(b) *Significant related party transactions*

	2022 AED	2021 AED
Revenue	**1,265,082**	1,179,617
Purchase of goods and services	**57,813,555**	54,770,775
Transfers of property, plant and equipment *(net) (note 9)*	**84,168**	542,054
Transfer of end of service benefits from a related party *(note 18)*	**3,208,022**	1,727,742
VAT related expenses	**25,210,000**	13,847,052
Lease agreement	**318,559**	2,589,100

Please refer to note 9 for buildings which have been constructed on land which has been assigned by Abu Dhabi National Hotels Company P.J.S.C., a shareholder.

Also refer to note 24 'Contingent liabilities' for certain arrangements with a related party.

14 Related party transactions and balances *(continued)*

(c) Due from related parties

	Nature of relationship	**2022 AED**	2021 AED
Abu Dhabi National Hotels Compass Emirates LLC	*Fellow subsidiary*	**7,576,599**	25,100,872
Compass Catering Services W.L.L.	*Fellow subsidiary*	**5,334,052**	5,141,559
Abu Dhabi National Hotels Compass LLC	*Fellow subsidiary*	**1,835,741**	3,097,767
Compass Group Holding PLC, UK	*Fellow subsidiary*	**344,795**	-
Abu Dhabi National Hotels Company P.J.S.C	*Fellow subsidiary*	**87,665**	-
Al Ghazal Transport Company	*Fellow subsidiary*	**65,952**	-
Park Hyatt Abu Dhabi Hotels and Villas	*Fellow subsidiary*	**32,175**	13,711
Compass Arabia Co. Ltd	*Fellow subsidiary*	**17,813**	1,841,262
Le Meridien Abu Dhabi	*Fellow subsidiary*	**16,483**	8,241
Radisson Blu Hotel and Resort Abu Dhabi Al Ain	*Fellow subsidiary*	**12,977**	-
Radisson Blu Hotel and Resort Abu Dhabi	*Fellow subsidiary*	**8,281**	7,649
Sheraton Abu Dhabi Hotel & Resort	*Fellow subsidiary*	**8,063**	12,095
Al Diar Sawa Hotel Apartments	*Fellow subsidiary*	**3,200**	3,200
Al Diar Dana Hotel	*Fellow subsidiary*	**1,897**	11,531
Al Diar Mina Hotel	*Fellow subsidiary*	**1,643**	3,287
Hotel Hilton International, Al Ain	*Fellow subsidiary*	-	13,161
Al Diar Capital Hotel	*Fellow subsidiary*	-	5,229
		15,347,336	35,259,564

14 Related party transactions and balances *(continued)*

(d) Due to related parties

	Nature of relationship	2022 AED	2021 AED
Al Ghazal Transport Company	*Fellow subsidiary*	**17,781,087**	14,090,438
Sunshine Travel & Tours	*Fellow subsidiary*	**4,808,746**	7,042,937
Abu Dhabi National Hotels Company P.J.S.C	*Shareholder*	**502,594**	1,371,814
The Ritz-Carlton Abu Dhabi, Grand Canal	*Fellow subsidiary*	**26,381**	1,910
Al Diar Dana Hotel	*Fellow subsidiary*	**675**	-
Compass Group Holding PLC	*Fellow subsidiary*	**-**	414,336
		23,119,483	22,921,435

15 Cash and cash equivalents

	2022 AED	2021 AED
Cash in hand	**1,046,620**	1,199,160
Cash at bank		
Current accounts	**316,488,838**	296,721,635
	317,535,458	297,920,795

16 Share capital

	Number of shares	2022 and 2021 AED
Authorised, issued and fully paid *(par value AED 1,000 per share)*	**20,000**	**20,000,000**

The share capital is distributed as follows:

	Number of Shares	2022 and 2021 AED
Abu Dhabi National Hotels Company P.J.S.C	**10,200**	**10,200,000**
Compass Group International B.V	**9,800**	**9,800,000**
	20,000	**20,000,000**

All shares rank equally with regard to the Company's residual assets. Holder of these shares is entitled to dividends as declared from time to time and entitled to one vote per share at general meetings of the Company.

During the year ended 30 September 2022; the Company paid a dividend of AED 258,404,034 *(2021: AED 149,459,058)*.

17 Statutory reserve

In accordance with UAE Federal Law No. (2) of 2015 (as amended), 10% of profit for the period is to be transferred to a legal reserve which is non-distributable. Transfers to this reserve are required to be made until such time as it equals 50% of the paid up share capital of the Company. The reserve is not available for distribution except in cases stipulated by the Federal Law and the Company's Articles of Association.

18 Provision for employees' end of service benefits

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

	2022 **AED**	2021 AED
At 1 October	**119,301,399**	112,671,749
Charge for the year	**27,850,617**	21,149,730
Payment during the year	**(32,982,714)**	(16,247,822)
Transfers from a related party *(note 14)*	**3,208,022**	1,727,742
At 30 September	**117,377,324**	119,301,399

Some employees have been transferred from a related company and accordingly, the provision for end of service benefits for these employees was also transferred.

19 Lease liabilities

	2022 **AED**	2021 AED
Lease liabilities	**65,514,053**	22,088,981

The terms and conditions of outstanding loans are as follows:

	Currency	**Nominal Interest rate**	**Year of Maturity**	**30 September 2022** **AED**	30 September 2021 AED
Lease liabilities	AED	2.6% - 3.8%	2022 – 2028	**65,514,053**	22,088,981

During the year an amount of AED 31,843,237 *(2021: AED 18,419,184)* was paid towards principal and AED 1,273,696 *(2021: AED 727,495)* was paid towards interest *(Note 25)*.

19 Lease liabilities *(continued)*

Lease liabilities is classified as follows:

	2022 AED	2021 AED
Non-current portion	**45,181,104**	3,499,484
Current portion	**20,332,949**	18,589,497
	65,514,053	22,088,981

The contractual cash flows for these lease liabilities are as follows:

	Carrying Value AED	Contractual cash flows Less than 1 Year AED	Between 1 - 5 years AED	Later than 5 Years AED	Total AED
30 September 2022					
Lease liabilities	**65,514,053**	**20,355,315**	**37,138,993**	**8,091,810**	**65,586,118**
30 September 2021					
Lease liabilities	22,088,981	18,589,497	3,590,471	-	22,179,968

20 Trade and other payables

	2022 AED	2021 AED
Trade payables	**248,065,541**	250,690,016
Accrued expenses	**264,839,621**	170,990,498
Other payables	**45,677,487**	149,241,592
	558,582,649	570,922,106

The average credit period on purchases of goods is 60 - 90 days. No interest is charged on the trade payables. The Company has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

21 Profit for the year

Profit for the year is stated after charging:

	2022 AED	2021 AED
Staff costs	**666,985,102**	668,249,592
Depreciation of property, plant and equipment	**6,197,947**	9,115,848
Amortisation of intangible assets	**291,533**	309,437

22 Financial instruments

Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return on equity. The Company's overall strategy remains unchanged from 2021.

Credit risk

Exposure to credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has no significant credit risk as a result of dealing with third parties. Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central banks of the respective countries. Trade receivables have a credit of 45 - 60 days and there has been no history of default. Amount due from related parties are recoverable on demand as and when the Company needs funding.

Concentration of credit risk arise when a number of counter-parties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Company's performance to developments affecting a particular industry or geographic location. All balances with banks represent local commercial banks.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Note	2022 AED	2021 AED
Trade and other receivables	*13*	**544,129,721**	606,896,632
Due from related parties	*14*	**15,347,336**	35,259,564
Cash at bank	*15*	**316,488,838**	296,721,635
		875,965,895	938,877,831

22 Financial instruments *(continued)*

Credit risk *(continued)*

Amounts due from related parties
Related parties have been transacting with the Company since its inception and none of its balances have been written off or are credit-impaired at the reporting date.

As at the reporting date, management believes that impairment loss in relation to amount due from related parties is immaterial and accordingly has not established an allowance. The Company does not require collateral in respect of its amount due from related parties. The Company does not have amounts for which no loss allowance is recognised because of collateral.

Cash and bank balances
The Company held cash and cash equivalents of AED 317,535,458 at 30 September 2022 *(30 September 2021: AED 297,920,795)*. The cash and cash equivalents are held with banks, which are rated A to Aa3, based on Moody's ratings.

Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash and cash equivalents have a low credit risk based on the external credit ratings of the counterparties.

Liquidity risk

The maturity profile of financial liabilities at the end of the reporting period based on existing contractual repayment arrangements was as follows:

		Carrying Amount AED	Less than 1 year AED	1 – 5 years AED
At 30 September 2022	*Note*			
Trade and other payables	*20*	**558,582,649**	**558,582,649**	**-**
Due to related parties	*14*	**23,119,483**	**23,119,483**	**-**
Lease liabilities	*19*	**65,514,053**	**20,332,949**	**45,181,104**
		647,216,185	**602,035,081**	**45,181,104**
At 30 September 2021				
Trade and other payables	*20*	570,922,106	570,922,106	-
Due to related parties	*14*	22,921,435	22,921,435	-
Lease liabilities	*19*	22,088,981	3,499,484	18,589,497
		615,932,522	597,343,025	18,589,497

The amounts are gross and undiscounted, and include estimated interest payments.

22 Financial instruments *(continued)*

Market risk

Interest rate risk
Interest rate risk arises from the possibility that changes in interest rates will affect the net interest income of the Company. The Company is exposed to cash flow interest rate risk on its short term deposits that carry floating interest rates.

If interest rates had been 50 basis points higher / lower and all other variables were held constant, the Company's profit for the year would increase / decrease by AED Nil *(2021: Nil)*

Currency risk
The Company's transactions are primarily carried out in USD or AED. The stability of rate of exchange of the AED to the USD has been maintained since 1980.

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

Fair value of financial assets and liabilities
The Company measures all its financial assets and financial liabilities at amortised cost. Management considers that the fair values of financial assets and financial liabilities approximate their carrying values as stated in the consolidated financial statements. When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

— Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
— Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
— Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

23 Accounting estimates and judgements

In the process of applying the Company's accounting policies, which are described in note 3, management has made the following judgement that has the most significant effect on the amounts of assets and liabilities recognised in the financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

23 Accounting estimates and judgements *(continued)*

Impairment on receivables
The Company reviews its receivables to assess impairment at least on an annual basis. An estimate of the collectible amount of trade and other receivables is made when collection of the full amount is no longer probable. This determination of whether the receivables are impaired, entails Management evaluating the specific credit and liquidity position of the customers and related parties and their historical recovery rates, including review of the current economic environment. The difference between the estimated collectible amount and the recorded amount is recognised as an expense in profit or loss. Any difference between the amounts expected and the amounts actually collected in the future periods is recognised in profit or loss at the time collection. Impairment provision of trade and other receivables at 30 September 2022 is AED *17,538,679 (2021: AED 17,751,351).*

Useful lives of property, plant and equipment
Management assigns useful lives and residual values to the items of property, plant and equipment based on the intended use of the assets and the expected economic lives of those assets. Subsequent changes in circumstances such as technological advances or prospective utilisation of the assets concerned could result in the actual useful lives or residual values differing from the initial estimates. Management has reviewed the residual values and useful lives of the major items of property, plant and equipment and have determined that no adjustment is necessary.

Impairment of property, plant and equipment
Property, plant and equipment are assessed for impairment based on assessment of cash flows on individual cash generating units when there is indication of impairment. Cash flows are determined based on contractual agreements and estimations over the useful life of the assets and discounted using a range of discounting rates representing the rate of return on such cash generating units. The net present values are compared to the carrying amounts to assess any probable impairment

Impairment on inventory obsolescence
Inventories are stated net of allowance for obsolescence. Management has considered the allowance required for inventory obsolescence based on the current economic environment and past obsolescence history. Management believes that no impairment is required as of 30 September 2021 and 2022.

Inventories
The Company has engaged Seven Seas Storage Management *(2021: Mohebi Logistics)*, a third party logistics service provider, for warehousing and delivery management services. As per the terms of the agreement, the service provider is not entitled to create any charge, lien or other encumbrance on the goods and legal title in the goods will at all times vest with the service provider until the goods are handed over to the Company at the delivery point. The service provider has also taken out and maintained insurance policies at its expense during the term of this agreement. Management has reviewed the detailed criteria under IAS 2 Inventories, the definition of an asset under the Framework and the terms of the agreement with Seven Seas Storage Management *(2021: Mohebi Logistics)*and is satisfied that the cost of inventories held at the Seven Seas Storage Management's *(2021: Mohebi Logistics')* warehouse at year end should not be recorded in the financial statements.

Revenue on expired contracts
The Company is in the process of renewing certain contracts which have expired as at the end of the reporting period. The Company has reviewed the detailed criteria under IFRS 15 *Revenue* and is satisfied that it is appropriate to recognise revenue for such cases on the basis of signed meal sheets and man days in addition to other relevant documentary / ongoing negotiations. Management expects formal approval of these contracts to be highly probable.

24 Contingent liabilities

	2022 AED	2021 AED
Bank guarantees	209,167,915	228,198,232

The above bank guarantees were issued in the normal course of business. These include an amount of AED 9,400 *(2021: AED 9,400)* issued by a related party on behalf of the Company.

25 Leases

- *Leases in which the Company is a lessee*

Information about leases for which the Company is a lessee is presented below.

(a) *Right of use assets*

Refer to note 11 for movement in right-of-use assets during the year ended 30 September 2022.

(b) *Amounts recognised in statement of profit or loss*

	2022 AED	2021 AED
Depreciation of right-of-use assets	**22,278,358**	18,669,246
Interest on lease liabilities	**1,273,696**	727,495

(c) *Amounts recognised in statement of cash flows*

	2022 AED	2021 AED
Total cash outflow for leases	**33,116,933**	19,146,679

- *Leases in which the Company is a lessor*

The Company does not have any leases in the capacity of lessor.

26 Date of authorisation for issue

The financial statements were approved and authorised for issue by the Board of Directors in their meeting held on [illegible]..........

Abu Dhabi National Hotels Compass Emirates LLC

Financial statements

30 September 2023

Principal business address:
P.O. Box: 31769
Dubai
United Arab Emirates

Abu Dhabi National Hotels Compass Emirates LLC

Financial statements

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Abu Dhabi National Hotels Compass Emirates LLC

Directors' Report

for the year ended 30 September 2023

The Directors have the pleasure in submitting their report, together with the audited financial statements of Abu Dhabi National Hotels Compass Emirates LLC (the Company) for the year ended 30 September 2023.

Principal activities

The Company is engaged in the business of onshore and offshore catering, trading in foodstuffs and facilities management services.

Financial results

The results of the Company for the year are set out on page 7 of the financial statements.

Going concern basis

The Board of Directors has reasonable expectation that the Company has adequate resources and support to continue its operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements for the year ended 30 September 2023.

Transactions with related Parties

The financial statements disclose related party transactions and balances in note 13. All transactions are carried out as part of our normal course of business and in compliance with applicable laws and regulations.

Directors

The Directors who served during the year were:

Khalaf Sultan Rashed Saeed Aldhaheri
David Rees
Khalid Anib
Petros Parras

Auditors

KPMG were appointed as external auditors for the Company for the year ended 30 September 2023. KPMG have expressed their willingness to continue in office. A shareholder resolution for the reappointment of KPMG is proposed and to absolve them of their responsibility for the year ended 30 September 2024.

On behalf of the Board

Chairman

16 JAN 2024

KPMG Lower Gulf Limited
The Offices 5 at One Central
Level 4, Office No: 04.01
Sheikh Zayed Road, P.O. Box 3800
Dubai, United Arab Emirates
Tel. +971 (4) 4030300, www.kpmg.com/ae

Independent auditors' report

To the Shareholders of Abu Dhabi National Hotels Compass Emirates LLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Abu Dhabi National Hotels Compass Emirates LLC ("the Company"), which comprise the statement of financial position as at 30 September 2023, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 30 September 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards).

Basis for Opinion

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

Other Information

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

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

Other Information (continued)

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Standards and their preparation in compliance with the applicable provisions of the UAE Federal Decree Law No. 32 of 2021 and for such internal control as management determines is necessary to enable the preparation of 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.

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

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

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

- Identify and assess the risks of material misstatement of the 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.

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

— 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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' 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, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

Further, as required by the UAE Federal Decree Law No. 32 of 2021, we report that for the year ended 30 September 2023:

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

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

iii) the Company has maintained proper books of account;

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

v) as disclosed in note 1 to the financial statements, the Company has not purchased any shares during the year ended 30 September 2023;

vi) note 13 to the financial statements discloses material related party transactions and the terms under which they were conducted; and

Report on Other Legal and Regulatory Requirements (continued)

vii) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended 30 September 2023 any of the applicable provisions of the UAE Federal Decree Law No. 32 of 2021, its Articles of Association, which would materially affect its activities or its financial position as at 30 September 2023.

KPMG Lower Gulf Limited

Avtar Singh Jalif
Registration No.: 5413
Dubai, United Arab Emirates

Date: 16 JAN 2024

Abu Dhabi National Hotels Compass Emirates LLC

Statement of financial position
as at 30 September

	Note	2023 AED	2022 AED
Assets			
Non-current assets			
Property and equipment	*9*	**5,032,162**	4,497,902
Right of use assets	*10*	**18,063,130**	10,036,295
Total non-current assets		**23,095,292**	14,534,197
Current assets			
Inventories	*11*	**6,174,213**	1,651,373
Trade and other receivables	*12*	**113,972,873**	104,155,798
Cash and cash equivalents	*14*	**275,179**	315,904
Total current assets		**120,422,265**	106,123,075
Total assets		**143,517,557**	120,657,272
Equity and liabilities			
Equity			
Share capital	*15*	**300,000**	300,000
Statutory reserve	*16*	**150,000**	150,000
Retained earnings		**8,825,605**	23,881,612
Total equity		**9,275,605**	24,331,612
Non-current liabilities			
Employees' end of service benefits	*17*	**141,546**	140,708
Lease liabilities	*20*	**8,772,227**	1,273,418
Total non-current liabilities		**8,913,773**	1,414,126
Current liabilities			
Trade and other payables	*18*	**92,222,063**	77,548,070
Due to related parties	*13*	**24,041,173**	7,690,225
Lease liabilities	*20*	**9,064,943**	9,673,239
Total current liabilities		**125,328,179**	94,911,534
Total liabilities		**134,241,952**	96,325,660
Total equity and liabilities		**143,517,557**	120,657,272

To the best of our knowledge the financial statements of the Company fairly presents, in all material respects, the financial position, results of operations and cash flows of the Company as of and for the year ended 30 September 2023.

Chairman *CEO-Middle East*

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

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

Abu Dhabi National Hotels Compass Emirates LLC

Statement of profit or loss and other comprehensive income
for the year ended 30 September

	Note	2023 AED	2022 AED
Revenue	6	**412,447,377**	359,178,748
Cost of revenue	7	**(385,837,784)**	(334,180,109)
Gross profit		**26,609,593**	24,998,639
Administrative expenses	8	**(731,164)**	(798,465)
(Impairment loss) on / Reversal of trade receivables	12	**(16,614,713)**	2,751
Other (loss) / income		**(7,802)**	46,196
Finance cost	23	**(430,307)**	(367,508)
Profit for the year		**8,825,607**	23,881,613
Other comprehensive income		**-**	-
Total comprehensive profit for the year		**8,825,607**	23,881,613

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

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

Abu Dhabi National Hotels Compass Emirates LLC

Statement of changes in equity
for the year ended 30 September

	Share capital AED *(note 15)*	**Statutory reserve AED** *(note 16)*	**Retained earnings AED**	**Total equity AED**
Balance at 1 October 2021	300,000	150,000	2,269,972	2,719,972
Profit for the year	-	-	23,881,613	23,881,613
Dividends *(note 15)*	-	-	(2,269,973)	(2,269,973)
Balance at 30 September 2022	300,000	150,000	23,881,612	24,331,612
Balance at 1 October 2022	**300,000**	**150,000**	**23,881,612**	**24,331,612**
Profit for the year	-	-	**8,825,607**	**8,825,607**
Dividends *(note 15)*	-	-	**(23,881,614)**	**(23,881,614)**
Balance at 30 September 2023	**300,000**	**150,000**	**8,825,605**	**9,275,605**

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

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

Abu Dhabi National Hotels Compass Emirates LLC

Statement of cash flows
for the year ended 30 September

	Note	**2023 AED**	2022 AED
Cash flows from operating activities			
Profit for the year		**8,825,607**	23,881,613
Adjustments for:			
Depreciation of property and equipment	*9*	**2,787,355**	3,525,048
Loss on disposal of property and equipment		**1,207**	39,076
Provision for employees' end of service benefits	*17*	**2,729,168**	3,062,551
Depreciation of right-of-use assets	*10*	**11,678,986**	9,443,689
Finance cost	*23*	**430,307**	367,508
Impairment loss on / (Reversal of) trade receivables	*12*	**16,614,713**	(2,751)
		43,067,343	40,316,734
Changes in:			
- Inventories		**(4,522,840)**	(145,806)
- Trade and other receivables		**(26,431,788)**	(22,889,930)
- Due to related parties		**12,796,536**	(20,701,685)
- Trade and other payables		**14,673,993**	18,205,063
Net cash generated from operating activities		**39,583,244**	14,784,376
Cash flows from investing activity			
Additions to property and equipment	*9*	**(3,595,020)**	(3,629,645)
Additions to right of use assets		**225,078**	-
Proceeds from disposal of property and equipment		**257,060**	741,913
Net cash used in investing activity		**(3,112,882)**	(2,887,732)
Net cash used in financing activities			
Dividends paid	*15*	**(23,881,614)**	(2,269,973)
Principle payments related to lease liabilities	*23*	**(12,199,166)**	(9,358,388)
Interest payments related to lease liabilities	*23*	**(430,307)**	(367,508)
Net cash used in financing activities		**(36,511,087)**	(11,995,869)
Net decrease in cash and cash equivalents		**(40,725)**	(99,225)
Cash and cash equivalents at the beginning of the year	*14*	**315,904**	415,129
Cash and cash equivalents at the end of the year	*14*	**275,179**	315,904
Non-cash transactions:			
Transfer of property and equipment	*9, 13*	**15,138**	39,584
Additions of right of use assets	*10*	**19,930,899**	5,288,988
Additions of lease liabilities	*20*	**19,089,679**	7,467,811
Transfer of end of service benefits to related parties	*13, 17*	**2,728,330**	3,043,812

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

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

1 Legal status and principal activities

Abu Dhabi National Hotels Compass Emirates LLC ("the Company") is incorporated in the Emirate of Dubai under the UAE Federal Law No. (32) of 2021. The Company is a joint venture between Abu Dhabi National Hotels Company P.J.S.C. (a public joint stock company incorporated in Abu Dhabi) and Compass Group International B.V Netherland (a wholly owned subsidiary of Compass Company PLC incorporated in the United Kingdom).

The Company is engaged in the business of onshore and offshore catering, trading in foodstuffs and facilities management services.

The registered address of the Company is P.O. Box: 31769, Dubai, United Arab Emirates.

The Company has not purchased any shares during the year ended 30 September 2023.

2 Basis of preparation

(a) *Statement of compliance*

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB") and applicable requirement of the UAE Federal Law No. 32 of 2021.

Federal Decree Law No. (32) of 2021 which repeals and replaces Federal Law No. (2) of 2015 (as amended) on Commercial Companies, was issued on 20 September 2021 and is effective from 2 January 2022.

(b) *Basis of measurement*

These financial statements have been prepared under the historical cost basis.

(c) *Functional and presentation currency*

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

(d) *Use of estimates and judgements*

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements, estimates and assumptions in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in note 22.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all years presented in these financial statements.

(a) *Revenue recognition*

Revenue is measured based on the consideration specified in the contract with the customer. The Company recognises revenue when transfers control over a good or service to the customer.

The Company recognises revenue based on a five-step model as set out in IFRS 15:

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

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

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

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

Step 5 Recognise revenue when or as the entity satisfies a performance obligation.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met :

1. The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. 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 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 performance obligation is satisfied.

3 Significant accounting policies *(continued)*

(a) ***Revenue recognition*** *(continued)*

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Type of product/ services	Nature and timing of satisfaction of performance obligations, including significant payments terms, revenue recognition under IFRS 15
Manpower services	Income from manpower services are recognised in the accounting period when the related services have been performed and accepted by the customers and there are no significant uncertainties regarding recovery of the consideration due, associated costs or the rejection of the services provided. Revenue is stated net of discounts and returns. Revenue is recognised over the period in which these services are provided.
Catering services/Fixed fee services/ Food and beverage supplies revenue - back charge/Nonfood supplies revenue - back charge	Income from the specified services is recognised when a customer obtains control of the goods or the service is completed. For some contracts wherein the shipping and handling activities are performed after the transfer of goods to the customer, the customer controls the goods once it reaches their respective ports. The revenue from these contracts will be recognised as the goods reaches to the ports. If the Company acts in the capacity of an agent rather than as the principal in a transaction, then the revenue recognised is the net amount of costs made by the Company. Revenue is recognised at a point in time for these goods and services. The Company's assessment indicates that this will be regarded as a separate performance obligation and revenue allocation of a transaction price will be required as well as the shipping and handling costs for these contracts is recongised at the point in time – i.e. when the goods are delivered to customers' ports.

3 Significant accounting policies *(continued)*

(b) Property and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Historical cost includes expenditures that are directly attributable to the acquisition of the asset.

Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance is expensed as incurred.

Depreciation

Items of property, plant and equipment are depreciated on a straight-line basis in statement of profit or loss and other comprehensive income over the estimated useful lives of each component.

The estimated useful lives for the current and comparative periods are as follows:

	Years
Leasehold improvements	5 to 10
Operating equipment	3 to 5
Furniture, fixtures and office equipment	3 to 4
Motor vehicles	3 to 4

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

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss and other comprehensive income.

3 Significant accounting policies *(continued)*

(c) *Capital work-in-progress*

Capital work-in-progress is stated at cost. All costs directly attributable to bringing the asset to the location and condition necessary for it to be used in the manner intended by management are included in the construction cost. No depreciation is charged on such assets until available for use. When commissioned, capital work-in-progress is transferred to the appropriate property, plant and equipment and intangible asset category and depreciated in accordance with the Company's policies.

(d) *Inventories*

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and those overheads that have been incurred in bringing the inventories to their present location and condition and is calculated using the weighted average costing method. Net realisable value represents the estimated selling price less all estimated costs to be incurred in marketing, selling and distribution.

(e) *Trade and other receivables*

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), these are classified as current assets. If not, these are presented as non-current assets. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

(f) *Cash and cash equivalents*

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand, current accounts and deposits with banks with original maturities of three months or less, net of margin deposits, if any.

3 Significant accounting policies *(continued)*

(g) Share capital

Share capital represents the nominal (par) value of shares that have been issued to the shareholder. The Company may issue shares up to its authorised share capital. Each share has a nominal (par) value of AED 1,000. The Company may issue 1 share against each capital contribution (regardless of the amount contributed) or it may also elect to issue one share against multiple contributions received by the Company during a given reporting period.

(h) Dividends paid to shareholder

Dividends paid by the Company to its shareholders are first paid out of distributable profits to the extent available.

(i) Employees' end of service benefits

The Company provides end of service benefits to its expatriate employees. The entitlement to these benefits is usually based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Provision is made for estimated liability for the employees' end of service benefit and is calculated annually using the projected unit credit method.

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

With respect to UAE nationals employed by the Company, the Company makes contributions to the relevant UAE Government pension scheme calculated as a percentage of the employees' salaries. The obligations under these schemes are limited to these contributions, which are expensed when due.

(j) Leases – Right-of-use assets and lease liabilities

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

i. As a lessee

At the commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Company has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

3 Significant accounting policies *(continued)*

(j) ***Leases – Right-of-use assets and lease liabilities*** *(continued)*

i. ***As a lessee*** *(continued)*

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

— fixed payments, including in-substance fixed payments;
— variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
— amounts expected to be payable under a residual value guarantee; and
— the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents 'right-of-use assets' and 'lease liabilities' as separate line items in the statement of financial position.

3 Significant accounting policies *(continued)*

(j) Leases – Right-of-use assets and lease liabilities (continued)

i. As a lessee (continued)

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

ii. As a lessor

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Company applies IFRS 15 to allocate the consideration in the contract.

The Company applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.
The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other revenue'.

Generally, the accounting policies applicable to the Company as a lessor in the comparative period were not different from IFRS 16 except for the classification of the sub-lease entered into during current reporting period that resulted in a finance lease classification.

3 Significant accounting policies *(continued)*

(k) Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers, and are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(l) Provisions

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

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

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

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and expected net cost of continuing with the contract, which is determined based on incremental costs necessary to fulfill the obligation under the contract. Before a provision is established, the Company recognises an impairment loss on the assets associated with that contract.

(m) Foreign currencies

Transactions in currencies other than UAE Dirham ("AED") are recorded at the exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss and other comprehensive income in the period in which they arise.

3 Significant accounting policies *(continued)*

(n) Financial instruments

i. Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

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

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

3 Significant accounting policies *(continued)*

(n) ***Financial instruments*** *(continued)*

ii. ***Classification and subsequent measurement*** *(continued)*

Financial assets – Business Model Assessment:
The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Company's management;
- The risk that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior period, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest:
For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

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

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

3 Significant accounting policies *(continued)*

(n) ***Financial instruments*** *(continued)*

ii. ***Classification and subsequent measurement*** *(continued)*

Financial assets *(continued)*

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest:

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets – Subsequent measurement and gains and losses

Financial asset at FVTPL
These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the statement of profit or loss and other comprehensive income.

Financial asset at amortised cost
These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in the statement profit or loss and other comprehensive income.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Financial liabilities mainly comprise trade and other payables and due to related party. These are initially recognised at fair value and subsequently stated at amortised cost using the effective interest method.

3 Significant accounting policies *(continued)*

(n) Financial instruments (continued)

iii. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. The Company enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

iv. Offsetting

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

v. Impairment

Non-derivative financial assets

Financial instruments

The Company recognizes loss allowances for ECLs on financial assets measured at amortized cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured at 12-month ECLs. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

3 Significant accounting policies *(continued)*

(n) ***Financial instruments*** *(continued)*

v. ***Impairment*** *(continued)*

Non-derivative financial assets *(continued)*

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly based on significant judgement. Specific factors management considers include the age of balance, background of the customers, existence of disputes, recent historical payment patterns and any other available information concerning the creditworthiness of the counterparty.

The Company considers a financial asset to be in default when the borrower is unlikely to pay its debt obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held).

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit impaired financial assets
At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

3 Significant accounting policies *(continued)*

(n) ***Financial instruments*** *(continued)*

v. ***Impairment*** *(continued)*

Non-derivative financial assets *(continued)*

Evidence that a financial asset is credit impaired includes the following observable data:
- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position
Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities FVOCI, the loss allowance is charged to profit or loss and is recognized in OCI.

Non - financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in the statement of profit or loss and other comprehensive income. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

vi. ***Write-off***

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of financial asset in its entirety or a portion thereof. For corporate customers the Company individually makes an assessment with respect to the timing and amount of write off based on whether there is a reasonable expectation of recovering. The Company expects no significant recovery from the amount written off. However, financial assets that are good enough could still be subject to enforcement activities in order to comply with the Company's procedure for recovery of amounts due.

4 Changes in significant accounting policies and disclosures

4.1 New and amended standards

A number of new standards are effective for annual periods beginning after 1 January 2022 and earlier application is permitted, however, the Company has not early adopted the new or amended standards in preparing these financial statements.

The following amendments to existing standards and frameworks have been applied by the Company in the preparation of these financial statements.

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- COVID-19 – Related Rent Concessions beyond 30 June 2021 – Amendment to IFRS 16
- Annual improvements to IFRS Standards 2018-2020
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- Reference to the Conceptual Framework (Amendments to IFRS 3)

The adopting of the above did not result in any changes to previously reported financial statements of the Company.

4.2 New and amended standards issued but not effective

At the date of these financial statements, the following standards, amendments and interpretations have not been effective and have not been early adopted:

Standards issued but not yet effective	**Effective for annual periods beginning on or after**
Classification of liabilities as Current or Non-current (Amendments to IAS 1)	1 January 2023
IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts	1 January 2023
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	1 January 2023
Definition of Accounting Estimates (Amendments to IAS 8)	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	1 January 2023
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Effective date deferred indefinitely.

5 Financial risk management

Overview

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Board of Directors oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included in note 21 to these financial statements.

The senior management has overall responsibility for the establishment and oversight of the Company's risk management framework and is responsible for developing and monitoring the Company's risk management policies.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Company's customer base, including the default risk of the industry and country, in which customers operate, has less of an influence on credit risk. There is no concentration of credit risk.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main component of this allowance is a specific loss component that relates to individually significant exposures.

Cash and cash equivalents are held with high-credit-quality financial institutions.

5 Financial risk management *(continued)*

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company ensures that it has sufficient cash on demand to meet expected operational expenses for a short term period, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Market risk comprise of currency risk and interest rate risk.

Interest rate risk
The Company does not have any deposits or borrowings and accordingly is not adversely affected by interest rate risks.

Currency risk
Currency risk is limited as the Company's transactions are primarily denominated in USD and AED. The stability of the rate of exchange of AED to USD has been maintained since 1980.

Price risk
Price risk relates to the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company does not have investments in securities and is not exposed to equity price risk.

Capital Risk Management

The Company defines capital as share capital, statutory reserve and retained earnings. The primary objective of the Company's capital management is to avoid permanent impairment of capital in order to provide returns for the shareholders. To maintain or adjust the capital structure, the Company may align the dividend payment to shareholders, return capital to shareholders, issue new shares, obtain new borrowings or sell assets to reduce borrowings. The overall objective remains unchanged during the year ended 30 September 2023. The Company has a combination of debt and equity to maintain a sound capital position to support the investment activities of the Company.

Activities are assessed based on their risk and rewards and can be financed through debt or equity. To date, debt has been utilised on a conservative basis so as to enhance returns to investors both in a tax efficient and risk adverse manner. Other than certain requirements of the UAE Federal Law No. (32) of 2021, there were no externally imposed capital requirements which the Company must comply with.

6 Revenue

6.1 Type of revenue

	2023 AED	2022 AED
Catering services	**180,067,782**	142,565,579
Food and beverage supplies revenue - back charge	**195,714,546**	118,599,801
Manpower services	**27,039,602**	87,572,107
Fixed fee services	**4,892,213**	4,753,677
Nonfood supplies revenue - back charge	**2,271,765**	4,712,591
Other revenues	**2,461,469**	974,993
	412,447,377	359,178,748

6.2 Timing of revenue recognition

	2023 AED	2022 AED
Services transferred over time	**27,039,602**	87,572,107
Services transferred at point in time	**385,407,775**	271,606,641
	412,447,377	359,178,748

6.3 Geographical markets

All revenues are generated from UAE.

7 Cost of revenue

	2023 AED	2022 AED
Costs of materials	**275,156,886**	181,956,475
Staff costs	**71,102,842**	96,144,936
Professional and license fees	**346,764**	10,167,358
Depreciation of right-of-use assets	**11,539,688**	9,161,871
Maintenance expenses	**4,571,471**	8,684,033
Rent expenses (short term or low value)	**3,650,784**	7,897,390
Transportation	**4,617,245**	6,851,226
Depreciation of property and equipment	**2,787,355**	3,525,048
Other cost of sales	**1,258,377**	1,194,510
Insurance	**94,535**	114,269
Hire charges	**78,175**	65,289
Vehicle hire	**51,156**	22,060
Others	**10,582,506**	8,395,644
	385,837,784	334,180,109

8 Administrative expenses

	2023	2022
	AED	AED
Staff costs	**320,562**	300,309
Depreciation of right-of-use assets	**139,298**	281,818
License fees	**51,093**	117,736
Other cost of sales	**15,246**	10,467
Rent expenses*	**132,637**	(3,817)
Maintenance expenses	**23,382**	19,450
Others	**48,946**	72,502
	731,164	798,465

*Credit balance relates to reversal of expenses from prior years.

9 Property and equipment

	Operating equipment AED	Furniture, fixtures and office equipment AED	Motor vehicles AED	Capital work-in-progress AED	Total AED
Cost					
At 1 October 2021	9,641,815	8,788,681	120,000	173,091	18,723,587
Additions	1,878,579	1,331,630	-	419,436	3,629,645
Transfers	164,131	(16,217)	-	-	147,914
Disposals	(508,672)	(1,561,292)	-	(559,293)	(2,629,257)
At 1 October 2022	11,175,853	8,542,802	120,000	33,234	19,871,889
Additions	2,479,226	1,000,746	-	115,048	3,595,020
Transfers	119,068	112,577	-	-	231,645
Disposals	(150,033)	(333,096)	-	(148,284)	(631,411)
At 30 September 2023	**13,624,114**	**9,323,029**	**120,000**	-	**23,067,143**
Accumulated depreciation					
At 1 October 2021	7,936,214	5,532,663	120,000	-	13,588,877
Charge for the year	1,367,202	2,157,846	-	-	3,525,048
Transfers	100,616	7,714	-	-	108,330
Disposals	(493,137)	(1,355,131)	-	-	(1,848,268)
At 1 October 2022	8,910,895	6,343,092	120,000	-	15,373,987
Charge for the year	1,594,053	1,193,302	-	-	2,787,355
Transfers	162,208	84,575	-	-	246,783
Disposals	(142,826)	(230,318)	-	-	373,144
At 30 September 2023	**10,524,330**	**7,390,651**	**120,000**	-	**18,034,981**
Net carrying amount					
At 30 September 2022	2,264,958	2,199,710	-	33,234	4,497,902
At 30 September 2023	**3,099,784**	**1,932,378**	-	-	**5,032,162**

10 Right-of-use assets

	AED
Cost	
At 1 October 2021	24,922,893
Additions	5,288,988
At 1 October 2022	30,211,881
Additions	19,930,899
Deletion during the year	(28,167,636)
At 30 September 2023	**21,975,144**
Accumulated depreciation	
At 1 October 2021	10,731,897
Charge for the year	9,443,689
At 1 October 2022	20,175,586
Charge for the year	11,678,986
Deletion during the year	(27,942,558)
At 30 September 2023	**3,912,014**
Net carrying amount	
At 30 September 2022	10,036,295
At 30 September 2023	**18,063,130**

11 Inventories

	2023 AED	2022 AED
Food supplies	**5,654,618**	1,151,490
Operating supplies	**519,595**	499,883
	6,174,213	1,651,373

12 Trade and other receivables

	2023 AED	2022 AED
Trade receivables	**122,976,838**	91,924,967
Provision for doubtful debts	**(17,079,290)**	(464,577)
	105,897,548	91,460,390
Prepayment	**2,136,446**	4,875,395
Accrued income	**3,507,991**	5,944,624
Other receivables	**2,430,888**	1,875,389
	113,972,872	104,155,798

The average credit period on sale of goods or services is 45-60 days. No interest is charged on trade and other receivables.
The Company has adopted a policy of dealing with only creditworthy counterparties. Adequate credit assessment is made before accepting an order for provision of services from a counterparty. Out of the total trade receivables balance at the end of the year, AED 72,698,415 representing 59% of total trade receivables *(2022: AED 53,444,490 representing 58% of total trade receivables)* is due from six major customers. The Company considers these customers to be reputable and creditworthy.

Included in the Company's trade receivables balance are debtors with a carrying amount of AED 62,312,832 *(2022: AED 56,344,945)* which are past due at the end of the reporting period for which the Company has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Company does not hold any collateral over these balances.

<u>Trade receivable ageing (gross):</u>

	2023 AED	2022 AED
Not due	**60,664,006**	35,580,022
Due for 1 to 60 days	**29,669,396**	29,787,235
Due for 61 to 90 days	**6,616,195**	14,557,232
Due for 91 to 120 days	**4,901,052**	4,415,925
Due for 121 to 365 days	**19,511,574**	7,282,804
More than 365 days	**1,614,615**	301,749
	122,976,838	91,924,967

The movement in the allowance for doubtful receivables during the year was as follows:

	2023 AED	2022 AED
At 1 October	**464,577**	522,346
Write off bad debt	**-**	(55,018)
Impairment loss on / (Reversal of) trade receivables	**16,614,713**	(2,751)
At 30 September	**17,079,290**	464,577

13 Related party transactions and balances

Related parties represent major shareholders 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.

Related party	**Relationship**
Abu Dhabi National Hotels Company Compass Middle East LLC	Fellow subsidiary
Al Ghazal Transport Company	Fellow subsidiary
Sun Shine Travel & Tours	Fellow subsidiary

The volume of related party transactions, outstanding balances and related expenses and income for the year are as follows:

(a) *Significant related party transactions*

	2023 AED	2022 AED
Purchase of goods and services	**1,474,054**	2,454,814
Transfer of property and equipment, net *(note 9)*	**15,138**	39,584
Transfer of end of service benefits to a related party *(note 17)*	**2,728,330**	3,043,812

(b) *Due to related parties*

	2023 AED	2022 AED
Abu Dhabi National Hotels Company Compass Middle East LLC	**23,319,744**	7,576,599
Al Ghazal Transport Company	**618,729**	102,766
Sunshine Travel & Tours	**102,700**	10,860
	24,041,173	7,690,225

Transactions with key management personnel

There are no key management personnel specifically assigned to the Company. There are a number of key management personnel in Abu Dhabi National Hotels Company Compass Middle East LLC (a fellow subsidiary) and their aggregate compensation is disclosed in the financial statements of this fellow subsidiary. Certain members of this fellow subsidiary are regarded as key management personnel of the Company but, as no proportion of their compensation is recharged to the Company.

14 Cash and cash equivalents

	2023 AED	2022 AED
Cash in hand	**175,179**	215,091
Cash at bank – current account	**100,000**	100,813
	275,179	315,904

15 Share capital

	Number of Shares	2023 and 2022 AED
Authorised, issued and fully paid (par value AED 1,000 per share)	**300**	**300,000**

	Number of Shares	2023 and 2022 AED
Abu Dhabi National Hotels Company P.J.S.C	**153**	**153,000**
Compass Group International B.V Netherland	**147**	**147,000**
	300	**300,000**

All shares rank equally with regard to the Company's residual assets. Holder of these shares is entitled to dividends as declared from time to time and entitled to one vote per share at general meetings of the Company.

During the year ended 30 September 2023, the Company paid dividends of AED 23,881,614 at AED 79,605 per share, *(2022: AED 2,269,973, at AED 7,567 per share).*

The Company is under the ultimate joint control between Abu Dhabi National Hotels Company P.J.S.C. (a public joint stock company incorporated in Abu Dhabi) and Compass Group International B.V Netherland (a wholly owned subsidiary of Compass Company PLC incorporated in the United Kingdom).

16 Statutory reserve

In accordance with the Company's Articles of Association and in line with the provisions of the UAE Federal Law No.32 of 2021, the Company is required to transfer annually to a legal reserve account an amount equal to 5% of its annual profits until such reserve reaches 50% of the paid-up capital of the Company. This reserve is not available for distribution.

17 Employees' end of service benefits

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

	2023 AED	2022 AED
As 1 October	**140,708**	121,969
Charge for the year	**2,729,168**	3,062,551
Transfers to related parties *(note 13)**	**(2,728,330)**	(3,043,812)
At 30 September	**141,546**	140,708

*Some employees have been transferred to a related company and accordingly, the provision for end of service benefits for these employees was also transferred.

18 Trade and other payables

	2023 AED	2022 AED
Trade payables	**46,755,362**	34,304,906
Accrued expenses	**41,246,470**	37,145,264
Other payables	**4,220,231**	6,097,900
	92,222,063	77,548,070

The average credit period on purchases of goods is 60 - 90 days. No interest is charged on the trade payables. The Company has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

19 Profit for the year

Profit for the year is stated after charging:

	2023 AED	2022 AED
Staff costs (note 7,8)	**71,423,404**	96,445,245
Depreciation of property and equipment (note 7)	**2,787,355**	3,525,048

Abu Dhabi National Hotels Compass Emirates LLC

Notes to the financial statements

20 Lease liabilities

	2023 AED	2022 AED
Lease liabilities	**17,837,170**	10,946,657

The terms and conditions of outstanding lease liabilities are as follows:

	Currency	Nominal Interest rate	Year of Maturity	30 September 2023 AED	30 September 2022 AED
Lease liabilities	AED	2.69%-3.8%	2023-2029	**17,837,170**	10,946,657

During the year an amount of AED 12,199,166 *(2022: AED 9,358,388)* was paid towards principal and AED 430,307 *(2022: AED 367,508)* was paid towards interest *(Note 23)*.

Lease liabilities – movement

	2023 AED	2022 AED
At 1 October	**10,946,657**	12,837,234
Additions during the year	**19,089,679**	7,467,811
Finance cost	**430,307**	367,508
Repayment during the year (principle + interest)	**(12,629,473)**	(9,725,896)
At 30 September	**17,837,170**	10,946,657

Lease liabilities is classified as follows:

	2023 AED	2022 AED
Non-current portion	**8,772,227**	1,273,418
Current portion	**9,064,943**	9,673,239
	17,837,170	10,946,657

20 Lease liabilities *(continued)*

The contractual cash flows for these loans are as follows:

	Carrying Value AED	Contractual cash flows Less than 1 Year AED	Between 1 - 5 years AED	Later than 5 Years AED	Total AED
30 September 2023					
Lease liabilities	**17,837,170**	**9,064,943**	**8,772,227**	-	**17,837,170**
30 September 2022					
Lease liabilities	10,946,657	9,673,239	152,448	1,120,970	10,946,657

21 Financial instruments

Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return on equity. The Company's overall strategy remains unchanged from 2022.

Credit risk

Exposure to credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has no significant credit risk as a result of dealing with third parties. Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central banks of the respective countries. Trade receivables have a credit of 45 - 60 days and there has been no history of default. Amount due from related parties are recoverable on demand as and when the Company needs funding.

Concentration of credit risk arise when a number of counter-parties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Company's performance to developments affecting a particular industry or geographic location. All balances with banks represent local commercial banks.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Note	**2023 AED**	2022 AED
Trade and other receivables (excluding prepayment and accrued income)	*12*	**108,328,436**	93,335,779
Cash at bank	*14*	**100,000**	100,813
		108,428,436	93,436,592

21 Financial instruments *(continued)*

Liquidity risk

The maturity profile of financial liabilities at the end of the reporting period based on existing contractual repayment arrangements was as follows:

	Note	**Carrying Amount AED**	**Less than 1 year AED**	**1 to 5 years AED**
At 30 September 2023				
Trade and other payables	*18*	**92,222,063**	**92,222,063**	-
Due to related parties	*13*	**24,041,173**	**24,041,173**	-
Lease liabilities	*20*	**17,837,170**	**9,064,943**	**8,772,227**
		134,100,406	**125,328,179**	**8,772,227**
At 30 September 2022				
Trade and other payables	*18*	77,548,070	77,548,070	-
Due to related parties	*13*	7,690,225	7,690,225	-
Lease liabilities	*20*	10,946,657	1,273,418	9,673,239
		96,184,952	86,511,713	9,673,239

The amounts are gross and undiscounted and include estimated interest payments.

Market risk

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect the net interest income of the Company. The Company is not exposed to cash flow or fair value interest rate risk.

Currency risk

The Company's transactions are primarily carried out in USD or AED. The stability of rate of exchange of the AED to the USD has been maintained since 1980. There have been no foreign currencies transactions.

21 Financial instruments *(continued)*

Fair value of financial assets and liabilities

The Company measures all its financial assets and financial liabilities at amortised cost. Management considers that the fair values of financial assets and financial liabilities approximate their carrying values as stated in the consolidated financial statements. When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

— Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
— Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
— Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

22 Accounting estimates and judgements

In the process of applying the Company's accounting policies, which are described in note 3, management makes judgements that has the most significant effect on the amounts of assets and liabilities recognised in the financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Impairment on receivables

The Company reviews its receivables to assess impairment at least on an annual basis. An estimate of the collectible amount of trade and other receivables is made when collection of the full amount is no longer probable. This determination of whether the receivables are impaired, entails Management evaluating, the specific credit and liquidity position of the customers and related parties and their historical recovery rates, including review of current economic environment. The difference between the estimated collectible amount and the recorded amount is recognised as an expense in profit or loss. Any difference between the amounts expected and the amounts actually collected in the future periods is recognised in profit or loss at the time of collection. Impairment of trade and other receivables at 30 September 2023 AED 17,079,290 *(2022: AED 464,577)*.

Useful lives of property and equipment

Management assigns useful lives and residual values to the items of property and equipment based on the intended use of the assets and the expected economic lives of those assets. Subsequent changes in circumstances such as technological advances or prospective utilisation of the assets concerned could result in the actual useful lives or residual values differing from the initial estimates. Management has reviewed the residual values and useful lives of the major items of property and equipment and have determined that no adjustment is necessary.

22 Accounting estimates and judgements *(continued)*

Impairment of property and equipment
Property and equipment are assessed for impairment based on assessment of cash flows on individual cash generating units when there is indication of impairment. Cash flows are determined based on contractual agreements and estimations over the useful life of the assets and discounted using a range of discounting rates representing the rate of return on such cash generating units. The net present values are compared to the carrying amounts to assess any probable impairment. Impairment of property and equipment is AED Nil as at 30 September 2023 *(2022: AED Nil)*.

Impairment on inventory obsolescence
Inventories are stated net of allowance for obsolescence. Management has considered the allowance required for inventory obsolescence based on the current economic environment and past obsolescence history. Management believes that no impairment is required as of 30 September 2023 and 2022.

Inventories
The Company has engaged Seven Seas Storage Management, a third party logistics service provider, for warehousing and delivery management services. As per the terms of the agreement, the service provider is not entitled to create any charge, lien or other encumbrance on the goods and legal title in the goods will at all times vest with the service provider until the goods are handed over to the Company at the delivery point. The service provider has also taken out and maintained insurance policies at its expense during the term of this agreement. Management has reviewed the detailed criteria under IAS 2 Inventories, the definition of an asset under the Framework and the terms of the agreement with Seven Seas Storage Management and is satisfied that the cost of inventories held at the Seven Seas Storage Management' warehouse at year end should not be recorded in the financial statements.

Revenue on expired contracts
The Company is in the process of renewing certain contracts which have expired as at the end of the reporting period. The Company has reviewed the detailed criteria under IFRS 15 Revenue Recognition and is satisfied that it is appropriate to recognise revenue for such cases on the basis of signed meal sheets and mandays in addition to other relevant documentary / ongoing negotiations. Management expects formal approval of these contracts to be highly probable.

23 Leases

- *Leases in which the Company is a lessee*

Information about leases for which the Company is a lessee is presented below.

(a) Right of use assets

Refer to note 10 for movement in right-of-use assets during the year ended 30 September 2023.

(b) Amounts recognised in statement of profit or loss

	2023 AED	2022 AED
Depreciation of right-of-use assets	**11,678,986**	9,443,689
Interest on lease liabilities	**430,307**	367,508

(c) Amounts recognised in statement of cash flows

	2023 AED	2022 AED
Total cash outflow for leases	**12,629,473**	9,725,896

- *Leases in which the Company is a lessor*

The Company does not have any leases in the capacity of lessor.

24 Corporate tax

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

The Cabinet of Ministers Decision No. 116/2022 effective from 2023, specifies the threshold of income over which the 9% tax rate would apply and accordingly, the Law is now considered to be substantively enacted. A rate of 9% will apply to taxable income exceeding AED 375,000, a rate of 0% will apply to taxable income not exceeding AED 375,000. The Company has assessed the possible impact on the financial statements, and concluded that the results for the nine-month period ended 30 September 2023 are not impacted by the transition requirements. For the Company, current taxes shall be accounted for as appropriate in the financial statements for the period beginning 1 September 2023.

In accordance with IAS 12 Income Taxes, the related deferred tax accounting impact has been considered for the financial year ended 30 September 2023. Since the corporate tax was introduced only recently, this may create tax risks in UAE that are more significant than in other countries. The Company has assessed the deferred tax implications for the nine months ended 30 September 2023 and, after considering its interpretations of applicable tax law, official pronouncements, cabinet decisions and ministerial decisions (especially with regard to transition rules), it has been concluded that it is not expected to be material. The Company shall continue to monitor critical Cabinet Decisions to determine the impact on the Company, from deferred tax perspective.

25 Date of authorisation for issue

The financial statements were approved and authorised for issue by the Board of Directors in its meeting held on 16 JAN 2024

Abu Dhabi National Hotels Compass Emirates LLC

Financial statements

30 September 2022

Principal business address:
P.O. Box: 31769
Dubai
United Arab Emirates

Abu Dhabi National Hotels Compass Emirates LLC

Financial statements

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Abu Dhabi National Hotels Compass Emirates LLC

Directors' Report

for the year ended 30 September 2022

The Directors have the pleasure in submitting their report, together with the audited financial statements of Abu Dhabi National Hotels Compass Emirates LLC (the "Company") for the year ended 30 September 2022.

Principal activities

The Company is engaged in the business of onshore and offshore catering, trading in foodstuffs and facilities management services.

Financial results

The results of the Company for the year are set out on page 7 of the financial statements.

Going concern basis

The Board of Directors has reasonable expectation that the Company has adequate resources and support to continue its operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements for the year ended 30 September 2022.

Transactions with related parties

The financial statements disclose related party transactions and balances in note 13. All transactions are carried out as part of our normal course of business and in compliance with applicable laws and regulations.

Directors

The Directors who served during the year were:

Ahmed Khalifa Al Mehairi
David Rees (appointed on 11 November 2021)
Khalid Anib
Petros Parras
Venkatesh Shantaram (resigned on 11 November 2021)

Auditors

KPMG were appointed as external auditors for the Company for the year ended 30 September 2022. KPMG have expressed their willingness to continue in office. A shareholder resolution for the reappointment of KPMG is proposed and to absolve them of their responsibility for the year ended 30 September 2022.

On behalf of the Board

Chairman

15 DEC 2022

KPMG

KPMG Lower Gulf Limited
The Offices 5 at One Central
Level 4, Office No: 04.01
Sheikh Zayed Road, P.O. Box 3800
Dubai, United Arab Emirates
Tel. +971 (4) 4030300, www.kpmg.com/ae

Independent auditors' report

To the Shareholders of Abu Dhabi National Hotels Compass Emirates LLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Abu Dhabi National Hotels Compass Emirates LLC ("the Company"), which comprise the statement of financial position as at 30 September 2022, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 30 September 2022, 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 *Auditors' 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 financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

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

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

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and their preparation in compliance with the applicable provisions of the UAE Federal Law No. (2) of 2015 (as amended) and the UAE Federal Decree Law No. 32 of 2021, as applicable during the period, 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.

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

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

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

— Identify and assess the risks of material misstatement of the 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.

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

- 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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' 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, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

Further, as required by UAE Federal Law No. (2) of 2015 (as amended) and the UAE Federal Decree Law No. 32 of 2021 (referred to as "applicable laws"), we report that for the year ended 30 September 2022:

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

ii) the financial statements have been prepared and comply, in all material respects, with the applicable provisions of the applicable laws;

iii) the Company has maintained proper books of account;

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

v) as disclosed in note 1 to the financial statements, the Company has not purchased any shares during the year ended 30 September 2022;

vi) note 13 to the financial statements discloses material related party transactions and the terms under which they were conducted; and

Report on Other Legal and Regulatory Requirements (continued)

vii) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended 30 September 2022 any of the applicable provisions of the applicable laws or its Articles of Association, which would materially affect its activities or its financial position as at 30 September 2022.

KPMG Lower Gulf Limited

Saif Fayez Shawer
Registration No.: 1131
Dubai, United Arab Emirates

Date: 15 DEC 2022

Abu Dhabi National Hotels Compass Emirates LLC

Statement of financial position

as at 30 September

	Note	2022 AED	2021 AED
Assets			
Non-current asset			
Property, plant and equipment	*9*	**4,497,902**	5,134,710
Right of use assets	*10*	**10,036,295**	14,190,996
		14,534,197	19,325,706
Current assets			
Inventories	*11*	**1,651,373**	1,505,567
Trade and other receivables	*12*	**104,155,798**	79,084,294
Cash and cash equivalents	*14*	**315,904**	415,129
Total current assets		**106,123,075**	81,004,990
Total assets		**120,657,272**	100,330,696
Equity and liabilities			
Equity			
Share capital	*15*	**300,000**	300,000
Statutory reserve	*16*	**150,000**	150,000
Retained earnings		**23,881,612**	2,269,972
Total equity		**24,331,612**	2,719,972
Liabilities			
Non-current liability			
Employees' end of service benefits	*17*	**140,708**	121,969
Lease liabilities	*18*	**1,273,418**	6,558,916
		1,414,126	6,680,885
Current liabilities			
Trade and other payables	*19*	**77,548,070**	59,343,007
Due to related parties	*13*	**7,690,225**	25,308,514
Lease liabilities	*18*	**9,673,239**	6,278,318
Total current liabilities		**94,911,534**	90,929,839
Total liabilities		**96,325,660**	97,610,724
Total equity and liabilities		**120,657,272**	100,330,696

To the best of our knowledge the financial statements of the Company fairly presents, in all material respects, the financial position, results of operations and cash flows of the Company as of and for the year ended 30 September 2022.

Chairman

CEO-Middle East

The notes set out on pages 10 to 38 form an integral part of these financial statements.

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

Abu Dhabi National Hotels Compass Emirates LLC

Statement of profit or loss and other comprehensive income
for the year ended 30 September

	Note	**2022 AED**	2021 AED
Revenue	*6*	**359,178,748**	169,963,679
Cost of revenue	*7*	**(334,180,109)**	(167,019,610)
Gross profit		**24,998,639**	2,944,069
Administrative expenses	*8*	**(798,465)**	(731,702)
Reversal of / (impairment loss) on trade receivables	*12*	**2,751**	(2,700)
Other income		**46,196**	126,884
Finance cost	*18*	**(367,508)**	(66,578)
Profit for the year	*20*	**23,881,613**	2,269,973
Other comprehensive income		-	-
Total comprehensive income for the year		**23,881,613**	2,269,973

The notes set out on pages 10 to 38 form an integral part of these financial statements.

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

Abu Dhabi National Hotels Compass Emirates LLC

Statement of changes in equity
for the year ended 30 September

	Share capital AED *(note 15)*	Statutory reserve AED *(note 16)*	Retained earnings AED	Total equity AED
Balance at 1 October 2020	300,000	150,000	11,717,820	12,167,820
Profit for the year	-	-	2,269,973	2,269,973
Dividends *(note 15)*	-	-	(11,717,821)	(11,717,821)
Balance at 30 September 2021	300,000	150,000	2,269,972	2,719,972
Balance at 1 October 2021	300,000	150,000	2,269,972	2,719,972
Profit for the year	-	-	23,881,613	23,881,613
Dividends *(note 15)*	-	-	(2,269,973)	(2,269,973)
Balance at 30 September 2022	**300,000**	**150,000**	**23,881,612**	**24,331,612**

The notes set out on pages 10 to 38 form an integral part of these financial statements.

Abu Dhabi National Hotels Compass Emirates LLC

Statement of cash flows

for the year ended 30 September

	Note	2022 AED	2021 AED
Cash flows from operating activities			
Profit for the year		**23,881,613**	2,269,973
Adjustments for:			
Depreciation of property, plant and equipment	*9*	**3,525,048**	3,842,371
Loss/ (gain) on disposal of property, plant and equipment		**39,076**	(8,499)
Depreciation of right-of-use assets	*10*	**9,443,689**	5,141,777
(Reversal of) / impairment loss in trade receivables	*12*	**(2,751)**	2,700
Provision for employees' end of service benefits	*17*	**3,062,551**	1,668,063
Interest on lease liabilities	*18*	**367,508**	66,578
		40,316,734	12,982,963
Changes in:			
- Inventories	*11*	**(145,806)**	(160,351)
- Trade and other receivables	*12*	**(22,889,930)**	(39,756,973)
- Due from related parties	*13*	**-**	4,498,984
- Due to related parties	*13*	**(20,701,685)**	23,493,156
- Trade and other payables	*19*	**18,205,063**	16,461,529
Net cash generated from operating activities		**14,784,376**	17,519,308
Cash flows from investing activities			
Additions to property, plant and equipment	*9*	**(3,629,645)**	(3,053,384)
Proceeds from disposal of property, plant and equipment		**741,913**	131,657
Net cash used in investing activities		**(2,887,732)**	(2,921,727)
Cash flows used in financing activities			
Dividends paid	*15*	**(2,269,973)**	(11,717,821)
Lease liabilities paid	*18*	**(9,725,896)**	(2,752,938)
Net cash used in financing activities		**(11,995,869)**	(14,470,759)
Net (decrease)/ increase in cash and cash equivalents		**(99,225)**	126,822
Cash and cash equivalents at 1 October	*14*	**415,129**	288,307
Cash and cash equivalents at 30 September	*14*	**315,904**	415,129
Non-cash transactions:			
Transfer of property, plant and equipment	*9, 13*	**39,584**	175,214
Additions of right of use assets	*10*	**5,288,988**	14,966,957
Net liabilities assumed by related parties	*13*	**3,083,396**	1,815,358
Transfer of employees' end of service benefits to a related party	*13, 17*	**3,043,812**	1,640,144
Recognition of lease liabilities	*18*	**5,288,988**	14,966,957

The notes set out on pages 10 to 38 form an integral part of these financial statements.

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

Abu Dhabi National Hotels Compass Emirates LLC

Notes to the financial statements

1 Legal status and principal activities

Abu Dhabi National Hotels Compass Emirates LLC ("the Company") is incorporated in the Emirate of Dubai under the UAE Federal Law No. (2) of 2015 (as amended). The Company is a joint venture between Abu Dhabi National Hotels Company P.J.S.C. (a public joint stock company incorporated in Abu Dhabi) and Compass Group International B.V Netherland (a wholly owned subsidiary of Compass Group PLC incorporated in the United Kingdom).

The Company is engaged in the business of onshore and offshore catering, trading in foodstuffs and facilities management services.

The registered address of the Company is P.O. Box: 31769, Dubai, United Arab Emirates.

The Company has not purchased any shares during the year ended 30 September 2022.

2 Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") and the applicable provisions of UAE Federal Law No. (2) of 2015 (as amended).

The Company is required, for the year ended 30 September 2022, to be in compliance with the provisions of the UAE Federal Law No. 2 of 2015 (as amended). On 20 September 2021, the UAE Federal Decree Law No. 32 of 2021 was issued and came into effect on 2 January 2022 which repealed the UAE Federal Law No. 2 of 2015 (as amended). The Company has 12 months from 2 January 2022 to comply with the provisions of the UAE Federal Decree Law No 32 of 2021. The Company is in the process of reviewing the new provisions and will apply the requirements thereof no later than one year from the date on which the amendments came into effect.

(b) Basis of measurement

These financial statements have been prepared under the historical cost basis.

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments, estimates and assumptions in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in note 22.

2 Basis of preparation *(continued)*

(e) Impact of Coronavirus

The coronavirus outbreak since early 2020 has brought about additional uncertainties in the Company's operating environment.

The Company has been closely monitoring the impact of the developments on the Company's businesses and has put in place contingency measures. These contingency measures include business continuity plans across the Company. Critical business continuity is identified in order to ensure full functionality of the Company's systems to protect the core operations.

As far as the Company's businesses are concerned, the Company is continually committed to meet the operational targets, without compromising health, safety and environment (HSE) and asset integrity. Operational and capital costs are funded without delay or interruption, through projects with the national oil company. As the situation is fast evolving, the effect of the outbreak is subject to significant levels of uncertainty, with the full range of possible effects unknown.

Management applied its judgement in determining the impact of this uncertainty and has prepared the financial information on a going concern basis as operations has not been largely affected by coronavirus and the Company's major customers have been remitting payments promptly.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all years presented in these financial statements.

(a) Revenue recognition

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. Under IFRS 15, revenue is measured based on the consideration specified in a contract with a customer and excludes amount collected on behalf of third parties. The Company recognises revenue when it transfers control over product or service to a customer. The Company recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the Company; and when specific criteria have been met as described below:

i. Sale of goods

Revenue is recognised when a customer obtains control of the goods. For some contracts wherein the shipping and handling activities are performed after the transfer of goods to the customer, the customer controls the goods once it reaches their respective ports. The revenue from these contracts will be recognised as the goods reaches to the ports.

The Company's assessment indicates that this will be regarded as a separate performance obligation and revenue allocation of a transaction price will be required as well as the shipping and handling costs for these contracts is recongised over time – i.e. when the goods are delivered to customers' ports.

3 Significant accounting policies *(continued)*

(a) ***Revenue recognition*** *(continued)*

i. ***Sale of goods*** *(continued)*

For certain contracts that permit the customer to return an item, revenue is currently recognised when a reasonable estimate of the returns can be made, provided that all other criteria for revenue recognition are met. If a reasonable estimate cannot be made, then revenue recognition is deferred until the return period lapses or a reasonable estimate of returns can be made.

Under IFRS 15, revenue is recognised for these contracts to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognised will not occur. As a consequence, for those contracts for which the Company is unable to make reasonable estimate of return, revenue is expected to be recognised sooner than when the return period lapses or a reasonable estimate can be made.

ii. ***Rendering of services***

Income from catering services, manpower services and other services are recognised in the accounting period when the related services have been performed and accepted by the customers and there are no significant uncertainties regarding recovery of the consideration due, associated costs or the rejection of the services provided. Revenue is stated net of discounts and returns.

If the Company acts in the capacity of an agent rather than as the principal in a transaction, then the revenue recognised is the net amount of costs made by the Company.

For the accounting policy for onerous contracts, please refer to 3(l).

(b) ***Property, plant and equipment***

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Historical cost includes expenditures that are directly attributable to the acquisition of the asset.

Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance is expensed as incurred.

Depreciation

Items of property, plant and equipment are depreciated on a straight-line basis in statement of profit or loss and other comprehensive income over the estimated useful lives of each component.

3 Significant accounting policies *(continued)*

(b) ***Property, plant and equipment*** *(continued)*

Depreciation (continued)

The estimated useful lives for the current and comparative periods are as follows:

	Years
Leasehold improvements	5 to 10
Operating equipment	3 to 5
Furniture, fixtures and office equipment	3 to 4
Motor vehicles	3 to 4

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

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss and other comprehensive income.

(c) ***Capital work-in-progress***

Capital work-in-progress is stated at cost. All costs directly attributable to bringing the asset to the location and condition necessary for it to be used in the manner intended by management are included in the construction cost. No depreciation is charged on such assets until available for use. When commissioned, capital work-in-progress is transferred to the appropriate property, plant and equipment and intangible asset category and depreciated in accordance with the Company's policies.

(d) ***Inventories***

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and those overheads that have been incurred in bringing the inventories to their present location and condition and is calculated using the weighted average costing method. Net realisable value represents the estimated selling price less all estimated costs to be incurred in marketing, selling and distribution.

(e) ***Trade and other receivables***

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is due in one year or less (or in the normal operating cycle of the business if longer), these are classified as current assets. If not, these are presented as non-current assets. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

(f) ***Cash and cash equivalents***

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand, current accounts and deposits with banks with original maturities of three months or less, net of margin deposits, if any.

3 Significant accounting policies *(continued)*

(g) ***Share capital***

Share capital represents the nominal (par) value of shares that have been issued to the shareholder. The Company may issue shares up to its authorised share capital. Each share has a nominal (par) value of AED 1,000. The Company may issue 1 share against each capital contribution (regardless of the amount contributed) or it may also elect to issue one share against multiple contributions received by the Company during a given reporting period.

(h) ***Dividends paid to shareholder***

Dividends paid by the Company to its shareholders are first paid out of distributable profits to the extent available.

(i) ***Employees' end of service benefits***

Provision is made for the full amount of end of service benefits due to employees in accordance with the UAE Labour Law, for their period of service up to the end of the reporting period. The accrual relating to annual leave and leave passage is disclosed as a current liability, while the provision relating to end of service benefits is disclosed as a non-current liability.

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

With respect to UAE nationals employed by the Company, the Company makes contributions to the relevant UAE Government pension scheme calculated as a percentage of the employees' salaries. The obligations under these schemes are limited to these contributions, which are expensed when due.

(j) ***Leases – Right-of-use assets and lease liabilities***

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

i. ***As a lessee***

At the commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Company has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

3 Significant accounting policies *(continued)*

(j) Leases – Right-of-use assets and lease liabilities (continued)

i. As a lessee (continued)

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents 'right-of-use assets' and 'lease liabilities' as separate line items in the statement of financial position.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3 Significant accounting policies *(continued)*

(j) Leases – Right-of-use assets and lease liabilities (continued)

ii. As a lessor

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Company applies IFRS 15 to allocate the consideration in the contract.

The Company applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.
The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other revenue'.

Generally, the accounting policies applicable to the Company as a lessor in the comparative period were not different from IFRS 16 except for the classification of the sub-lease entered into during current reporting period that resulted in a finance lease classification.

(k) Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers, and are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

3 Significant accounting policies *(continued)*

(l) Provisions

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

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

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

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and expected net cost of continuing with the contract, which is determined based on incremental costs necessary to fulfill the obligation under the contract. Before a provision is established, the Company recognises an impairment loss on the assets associated with that contract.

(m) Foreign currencies

Transactions in currencies other than UAE Dirham ("AED") are recorded at the exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss and other comprehensive income in the period in which they arise.

(n) Financial instruments

i. Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

3 Significant accounting policies *(continued)*

(n) Financial instruments (continued)

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

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

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business Model Assessment:
The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Company's management;
- The risk that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior period, the reasons for such sales and expectations about future sales activity.

3 Significant accounting policies *(continued)*

(n) ***Financial instruments*** *(continued)*

ii. ***Classification and subsequent measurement*** *(continued)*

Financial assets *(continued)*

Financial assets – Business Model Assessment: *(continued)*

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest:

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

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

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

3 Significant accounting policies *(continued)*

(n) ***Financial instruments*** *(continued)*

ii. ***Classification and subsequent measurement*** *(continued)*

Financial assets *(continued)*

Financial assets – Subsequent measurement and gains and losses

Financial asset at FVTPL
These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the statement of profit or loss and other comprehensive income.

Financial asset at amortised cost
These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in the statement profit or loss and other comprehensive income.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Financial liabilities mainly comprise trade and other payables and due to related parties. These are initially recognised at fair value and subsequently stated at amortised cost using the effective interest method.

iii. ***Derecognition***

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. The Company enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

3 Significant accounting policies *(continued)*

***(n) Financial instruments** (continued)*

***iii. Derecognition** (continued)*

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

iv. Offsetting

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

v. Impairment

Non-derivative financial assets

The Company recognizes loss allowances for ECLs on financial assets measured at amortized cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured at 12-month ECLs. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly based on significant judgement. Specific factors management considers include the age of balance, background of the customers, existence of disputes, recent historical payment patterns and any other available information concerning the creditworthiness of the counterparty.

The Company considers a financial asset to be in default when the borrower is unlikely to pay its debt obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held).

3 Significant accounting policies *(continued)*

(n) Financial instruments (continued)

v. Impairment (continued)

Non-derivative financial assets *(continued)*

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:
- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities FVOCI, the loss allowance is charged to profit or loss and is recognized in OCI.

3 Significant accounting policies *(continued)*

(n)* *Financial instruments* *(continued)

v.* *Impairment* *(continued)

Non - financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in the statement of profit or loss and other comprehensive income. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

vi.* *Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of financial asset in its entirety or a portion thereof. For corporate customers the Company individually makes an assessment with respect to the timing and amount of write off based on whether there is a reasonable expectation of recovering. The Company expects no significant recovery from the amount written off. However, financial assets that are good enough could still be subject to enforcement activities in order to comply with the Company's procedure for recovery of amounts due.

4 Changes in significant accounting policies and disclosures

4.1 New currently effective standards

The Company applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2021. The nature and effect of these changes, if any, are disclosed below. Although these new standards and amendments were applied for the first time during the year ended 30 September 2022, they did not have a material impact on the annual financial statements of the Company.

New currently effective standards	Effective for annual periods beginning on or after
Interest rate benchmark reforms – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16.	1 January 2021
COVID-19 related rent concessions (Amendment to IFRS 16)	1 April 2021

Other than the above, there are no other significant IFRSs and amendments that were effective for the first time for the financial year beginning on or after 1 January 2021.

4.2 Standards issued but not yet effective

A number of new standards are effective for annual periods beginning after 1 January 2022 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements. Management anticipates that these new and revised standards, interpretations and amendments will be adopted in the Company's financial statements for the year beginning 1 October 2021 or as and when they are applicable and adoption of these new standards, interpretations and amendments may have no material impact on the financial statements of the Company in the period of initial application.

Standards issued but not yet effective	Effective for annual periods beginning on or after
Onerous Contracts – Cost of fulfilling a Contract (Amendment to IAS 37)	1 January 2022
Annual Improvements to IFRS Standards 2018-2020	1 January 2022
Property, plant and Equipment: Proceeds before Intended Use (Amendment to IAS 16)	1 January 2022
Reference to Conceptual Framework (Amendments to IFRS 3)	1 January 2022
Classification of Liabilities as Current or Non-current – Amendments to IAS 1	1 January 2023
Disclosure of Accounting policies – Amendments to IAS 1 and IFRS Practice Statement 2	1 January 2023
Definition of Accounting Estimate – Amendments to IAS 8	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	1 January 2023
IFRS 17 *Insurance Contracts*	1 January 2023
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Effective date deferred indefinitely.

Management anticipates that when they are applicable and adoption of these new and revised standards, interpretations and amendments may have no material impact on the financial statements of the Company in the period of initial application.

5 Financial risk management

Overview

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Board of Directors oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included in note 21 to these financial statements.

The senior management has overall responsibility for the establishment and oversight of the Company's risk management framework and is responsible for developing and monitoring the Company's risk management policies.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Company's customer base, including the default risk of the industry and country, in which customers operate, has less of an influence on credit risk. There is no concentration of credit risk.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main component of this allowance is a specific loss component that relates to individually significant exposures.

Cash and cash equivalents are held with high-credit-quality financial institutions.

5 Financial risk management *(continued)*

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company ensures that it has sufficient cash on demand to meet expected operational expenses for a short-term period, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Market risk comprise of currency risk and interest rate risk.

Interest rate risk
The Company does not have any deposits or borrowings and accordingly is not adversely affected by interest rate risks.

Currency risk
Currency risk is limited as the Company's transactions are primarily denominated in USD and AED. The stability of the rate of exchange of AED to USD has been maintained since 1980.

Price risk
Price risk relates to the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company does not have investments in securities and is not exposed to equity price risk.

Capital Risk Management

The Company defines capital as share capital, statutory reserve and retained earnings. The primary objective of the Company's capital management is to avoid permanent impairment of capital in order to provide returns for the shareholders. To maintain or adjust the capital structure, the Company may align the dividend payment to shareholders, return capital to shareholders, issue new shares, obtain new borrowings or sell assets to reduce borrowings. The overall objective remains unchanged during the year ended 30 September 2022. The Company has a combination of debt and equity to maintain a sound capital position to support the investment activities of the Company. Activities are assessed based on their risk and rewards and can be financed through debt or equity. To date, debt has been utilised on a conservative basis so as to enhance returns to investors both in a tax efficient and risk adverse manner. Other than certain requirements of the UAE Federal Law No. (2) of 2015 (as amended), there were no externally imposed capital requirements which the Company must comply with.

6 Revenue

	2022 AED	2021 AED
Catering services	**142,565,579**	108,901,103
Food and beverage supplies revenue - back charge	**118,599,801**	3,420,411
Manpower services	**87,572,107**	42,985,998
Fixed fee services	**4,753,677**	5,631,346
Nonfood supplies revenue - back charge	**4,712,591**	8,670,931
Other revenues	**974,993**	353,890
	359,178,748	169,963,679

Fixed fee pertains to revenue generated from various services provided where the customer pays a fixed fee per month for the service provided as per the agreement. Services provided as per the fixed fee include cleaning, pest control, and housekeeping.

7 Cost of revenue

	2022 AED	2021 AED
Cost of material	**181,956,475**	53,100,490
Staff costs	**96,144,936**	70,285,496
Professional and license fees	**10,167,358**	246,247
Depreciation of right-of-use assets	**9,161,871**	5,001,712
Maintenance expenses	**8,684,033**	11,827,799
Rent expenses (short term or low value)	**7,897,390**	5,382,116
Transportation	**6,851,226**	5,590,076
Depreciation of property, plant and equipment	**3,525,048**	3,785,355
Other cost of sales	**1,194,510**	4,784,605
Insurance	**114,269**	110,257
Hire charges	**65,289**	185,593
Vehicle hire	**22,060**	48,072
Others	**8,395,644**	6,671,792
	334,180,109	167,019,610

8 Administrative expenses

	2022 AED	2021 AED
Staff costs	**300,309**	319,463
Depreciation of right-of-use assets	**281,818**	140,065
License fees	**117,736**	90,947
Depreciation of property, plant and equipment	-	57,016
Other cost of sales	**10,467**	29,671
Rent expenses*	**(3,817)**	25,258
Maintenance expenses	**19,450**	14,616
Insurance	-	120
Others	**72,502**	54,546
	798,465	731,702

*Credit balance relates to reversal of expenses from prior years.

9 Property, plant and equipment

	Leasehold improvements AED	Operating equipment AED	Furniture, fixtures and office equipment AED	Motor vehicles AED	Capital work-in-progress AED	Total AED
Cost						
At 1 October 2020	214,295	11,015,666	7,674,882	655,000	9,330	19,569,173
Additions	-	1,012,522	1,877,101	-	163,761	3,053,384
Transfers	-	178,030	20,114	(535,000)	-	(336,856)
Disposals	(214,295)	(2,564,403)	(783,416)	-	-	(3,562,114)
At 1 October 2021	-	9,641,815	8,788,681	120,000	173,091	18,723,587
Additions	-	1,878,579	1,331,630	-	419,436	3,629,645
Transfers (net)	-	164,131	(16,217)	-	-	147,914
Disposals	-	(508,672)	(1,561,292)	-	(559,293)	(2,629,257)
At 30 September 2022	**-**	**11,175,853**	**8,542,802**	**120,000**	**33,234**	**19,871,889**
Accumulated depreciation						
At 1 October 2020	174,577	8,989,485	3,878,470	655,000	-	13,697,532
Charge for the year	27,389	1,482,295	2,332,687	-	-	3,842,371
Transfers	-	11,994	10,936	(535,000)	-	(512,070)
Disposals	(201,966)	(2,547,560)	(689,430)	-	-	(3,438,956)
At 1 October 2021	-	7,936,214	5,532,663	120,000	-	13,588,877
Charge for the year	-	1,367,202	2,157,846	-	-	3,525,048
Transfers (net)	-	100,616	7,714	-	-	108,330
Disposals	-	(493,137)	(1,355,131)	-	-	(1,848,268)
At 30 September 2022	**-**	**8,910,895**	**6,343,092**	**120,000**	**-**	**15,373,987**
Net carrying amount						
At 30 September 2021	-	1,705,601	3,256,018	-	173,091	5,134,710
At 30 September 2022	**-**	**2,264,958**	**2,199,710**	**-**	**33,234**	**4,497,902**

10 Right-of-use assets

	AED
Cost	
At 1 October 2020	9,955,936
Additions	14,966,957
At 1 October 2021	24,922,893
Additions	5,288,988
At 30 September 2022	**30,211,881**
Accumulated depreciation	
At 1 October 2020	5,590,120
Charge for the year	5,141,777
At 1 October 2021	10,731,897
Charge for the year	9,443,689
At 30 September 2022	**20,175,586**
Net carrying amount	
At 30 September 2021	14,190,996
At 30 September 2022	**10,036,295**

11 Inventories

	2022 AED	2021 AED
Food supplies	**1,151,490**	999,653
Operating supplies	**499,883**	505,914
	1,651,373	1,505,567

12 Trade and other receivables

	2022 AED	2021 AED
Trade receivables	**91,924,967**	56,186,747
Impairment loss in trade receivables	**(464,577)**	(522,346)
	91,460,390	55,664,401
Accrued income	**5,944,624**	17,349,382
Prepayments	**4,875,395**	4,380,111
Other receivables	**1,875,389**	1,690,400
	104,155,798	79,084,294

12 Trade and other receivables *(continued)*

The average credit period on sale of goods or services is 45- 60 days. No interest is charged on trade and other receivables.

The Company has adopted a policy of dealing with only creditworthy counterparties. Adequate credit assessment is made before accepting an order for provision of services from a counterparty. Out of the total trade receivables balance at the end of the year, AED 53,444,490 representing 58% of total trade receivables *(2021: AED 37,685,745 representing 67% of total trade receivables)* is due from six major customers. The Company considers these customers to be reputable and creditworthy.

Included in the Company's trade receivables balance are debtors with a carrying amount of AED 55,880,368 *(2021: AED 21,571,155)* which are past due at the end of the reporting period for which the Company has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Company does not hold any collateral over these balances.

The movement in the allowance for doubtful receivables during the year was as follows:

	2022 **AED**	2021 AED
Balance at 1 October	**522,346**	1,823,523
Write off bad debt	**(55,018)**	(1,303,877)
(Reversal of) / impairment loss in trade receivables	**(2,751)**	2,700
Balance at 30 September	**464,577**	522,346

Trade receivable ageing (gross):

	2022 **AED**	2021 AED
Not due	**35,580,022**	34,093,246
Due for 1 to 60 days	**29,787,235**	6,606,587
Due for 61 to 90 days	**14,557,232**	674,915
Due for 91 to 120 days	**4,415,925**	1,916,397
Due for 121 to 365 days	**7,282,804**	11,640,066
More than 365 days	**301,749**	1,255,536
	91,924,967	56,186,747

13 Related party transactions and balances

Related parties comprise the Shareholders of the Company, the directors and those enterprises over which the Shareholders, the directors or the Company can exercise significant influence, or which can significantly influence the Company. In the ordinary course of business, the Company receives goods and services from, and provides goods and services to, such enterprises on rates, terms and conditions agreed upon by management.

Abu Dhabi National Hotels Compass Emirates LLC

Notes to the financial statements

13 Related party transactions and balances *(continued)*

The volume of related party transactions, outstanding balances and related expenses and income for the year are as follows:

(a) Significant related party transactions

	2022 AED	2021 AED
Purchase of goods and services	**2,454,814**	601,575
Transfer of property, plant and equipment, net *(note* 9)	**39,584**	175,214
Transfer of end of service benefits to a related party *(note 17)*	**3,043,812**	1,640,144

Transactions with key management personnel

There are no key management personnel specifically assigned to the Company. There are a number of key management personnel in Abu Dhabi National Hotels Company Compass Middle East LLC (a fellow subsidiary) and their aggregate compensation is disclosed in the financial statements of this fellow subsidiary. Certain members of this fellow subsidiary are regarded as key management personnel of the Company but, as no proportion of their compensation is recharged to the Company, management considers that it would not be helpful to the user to disclose this amount in these financial statements.

(b) Due to related parties

	2022 AED	2021 AED
Abu Dhabi National Hotels Company Compass Middle East LLC	**7,576,599**	25,100,872
Al Ghazal Transport Company	**102,766**	202,480
Sunshine Travel & Tours	**10,860**	5,162
	7,690,225	25,308,514

14 Cash and cash equivalents

	2022 AED	2021 AED
Cash on hand	**215,091**	208,589
Cash at bank - *current account*	**100,813**	206,540
	315,904	415,129

15 Share capital

	Number of Shares	2022 and 2021 AED
Authorised, issued and fully paid (par value AED 1,000 per share)	**300**	**300,000**

The share capital is distributed as follows:

	Number of Shares	2022 and 2021 AED
Abu Dhabi National Hotels Company P.J.S.C	**153**	**153,000**
Compass Group International B.V Netherland	**147**	**147,000**
	300	**300,000**

All shares rank equally with regard to the Company's residual assets. Holder of these shares is entitled to dividends as declared from time to time and entitled to one vote per share at general meetings of the Company.

During the year ended 30 September 2022, the Company paid dividends of AED 2,269,973, at AED 7,567 per share, *(2021: AED 11,717,821, at AED 39,059 per share).*

16 Statutory reserve

In accordance with UAE Federal Law No. (2) of 2015 (as amended), 10% of profit for the period is to be transferred to a legal reserve which is non-distributable. Transfers to this reserve are required to be made until such time as it equals 50% of the paid-up share capital of the Company. The reserve is not available for distribution except in cases stipulated by the Federal Law and the Company's Articles of Association.

17 Employees' end of service benefits

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

	2022 AED	2021 AED
At 1 October	**121,969**	94,050
Charge for the year	**3,062,551**	1,668,063
Transfers to a related party *(note 13)*	**(3,043,812)**	(1,640,144)
At 30 September	**140,708**	121,969

Some employees have been transferred to a related company and accordingly, the provision for end of service benefits for these employees was also transferred.

18 Lease liabilities

	2022 AED	2021 AED
Lease liabilities	**10,946,657**	12,837,234

The terms and conditions of lease liabilities are as follows:

	Currency	Nominal Interest rate	Year of Maturity	30 September 2022 AED	30 September 2021 AED
Lease liabilities	AED	2.6% - 3.8%	2022 – 2028	**10,946,657**	12,837,234

During the year an amount of AED 9,358,388 *(2021: AED 2,686,360)* was paid towards principal and AED 367,508 *(2021: AED 66,578)* was paid towards interest *(Note 23)*.

Lease liabilities is classified as follows:

	2022 AED	2021 AED
Non-current portion	**1,273,418**	6,558,916
Current portion	**9,673,239**	6,278,318
	10,946,657	12,837,234

The contractual cash flows for these loans are as follows:

		Contractual cash flows			
	Carrying Value AED	Less than 1 Year AED	Between 1 - 5 years AED	Later than 5 Years AED	Total AED
30 September 2022					
Lease liabilities	**10,946,657**	**9,683,880**	**152,448**	**1,122,370**	**10,958,698**
30 September 2021					
Lease liabilities	12,837,234	6,278,318	6,729,448	-	13,007,766

19 Trade and other payables

	2022 AED	2021 AED
Trade payables	**34,304,906**	23,267,297
Accrued expenses	**37,145,264**	27,135,987
Other payables	**6,097,900**	8,939,723
	77,548,070	59,343,007

The average credit period on purchases of goods is 60 - 90 days. No interest is charged on the trade payables. The Company has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

20 Profit for the year

Profit for the year is stated after charging:

	2022 AED	2021 AED
Staff costs (note 7 and note 8)	**96,445,245**	70,604,959
Depreciation of property, plant and equipment	**3,525,048**	3,842,371

21 Financial instruments

Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return on equity. The Company's overall strategy remains unchanged from 2020.

Credit risk

Exposure to credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has no significant credit risk as a result of dealing with third parties. Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central banks of UAE. Trade receivables have a credit of 45 - 60 days and there has been no history of default. Amount due from related parties are recoverable on demand as and when the Company needs funding.

Concentration of credit risk arise when a number of counter-parties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Company's performance to developments affecting a particular industry or geographic location. All balances with banks represent local commercial banks.

21 Financial instruments *(continued)*

Credit risk (continued)

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Note	**2022 AED**	2021 AED
Trade and other receivables	*12*	**99,280,403**	74,704,183
Cash at bank	*14*	**100,813**	206,540
		99,381,216	74,910,723

Cash and bank balances

The Company held cash and cash equivalents of AED 100,813 at 30 September 2022 (30 September 2021: AED 206,540). The cash and cash equivalents are held with banks, which are rated A to Aa3, based on Moody's ratings.

Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash and cash equivalents have a low credit risk based on the external credit ratings of the counterparties.

Liquidity risk

The maturity profile of financial liabilities at the end of the reporting period based on existing contractual repayment arrangements was as follows:

	Carrying Amount AED	**Less than 1 year AED**	**1 – 5 years AED**
At 30 September 2022			
Trade and other payables	**77,548,070**	**77,548,070**	**-**
Due to related parties	**7,690,225**	**7,690,225**	**-**
Lease liabilities	**10,946,657**	**1,273,418**	**9,673,239**
	96,184,952	**86,511,713**	**9,673,239**
At 30 September 2021			
Trade and other payables	59,343,007	59,343,007	-
Due to related parties	25,308,514	25,308,514	-
Lease liabilities	12,837,234	6,278,318	6,558,916
	97,488,755	90,929,839	6,558,916

The amounts are gross and undiscounted and include estimated interest payments.

21 Financial instruments *(continued)*

Market risk

Interest rate risk
Interest rate risk arises from the possibility that changes in interest rates will affect the net interest income of the Company. The Company is not exposed to cash flow or fair value interest rate risk.

Currency risk

The Company's transactions are primarily carried out in USD or AED. The stability of rate of exchange of the AED to the USD has been maintained since 1980.

Fair value of financial assets and liabilities

The Company measures all its financial assets and financial liabilities at amortised cost. Management considers that the fair values of financial assets and financial liabilities approximate their carrying values as stated in the consolidated financial statements. When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

— Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
— Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
— Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

22 Accounting estimates and judgements

In the process of applying the Company's accounting policies, which are described in note 2, management has made the following judgement that has an effect on the amounts of assets and liabilities recognised in the financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Impairment on receivables
The Company reviews its receivables to assess impairment at least on an annual basis. An estimate of the collectible amount of trade and other receivables is made when collection of the full amount is no longer probable. This determination of whether the receivables are impaired, entails Management evaluating, the specific credit and liquidity position of the customers and related parties and their historical recovery rates, including review of current economic environment. The difference between the estimated collectible amount and the recorded amount is recognised as an expense in profit or loss. Any difference between the amounts expected and the amounts actually collected in the future periods is recognised in profit or loss at the time of collection. Impairment of trade and other receivables at 30 September 2022 AED 464,577 *(2021: AED 522,346)*.

22 Accounting estimates and judgements *(continued)*

Useful lives of property, plant and equipment
Management assigns useful lives and residual values to the items of property, plant and equipment based on the intended use of the assets and the expected economic lives of those assets. Subsequent changes in circumstances such as technological advances or prospective utilization of the assets concerned could result in the actual useful lives or residual values differing from the initial estimates. Management has reviewed the residual values and useful lives of the major items of property, plant and equipment and have determined that no adjustment is necessary.

Impairment of property, plant and equipment
Property, plant and equipment are assessed for impairment based on assessment of cash flows on individual cash generating units when there is indication of impairment. Cash flows are determined based on contractual agreements and estimations over the useful life of the assets and discounted using a range of discounting rates representing the rate of return on such cash generating units. The net present values are compared to the carrying amounts to assess any probable impairment.

Impairment on inventory obsolescence
Inventories are stated net of allowance for obsolescence. Management has considered the allowance required for inventory obsolescence based on the current economic environment and past obsolescence history. Management believes that no impairment is required as of 30 September 2022 and 2022.

Inventories
The Company has engaged Seven Seas Storage Management *(2021: Mohebi Logistics)*, a third party logistics service provider, for warehousing and delivery management services. As per the terms of the agreement, the service provider is not entitled to create any charge, lien or other encumbrance on the goods and legal title in the goods will at all times vest with the service provider until the goods are handed over to the Company at the delivery point. The service provider has also taken out and maintained insurance policies at its expense during the term of this agreement. Management has reviewed the detailed criteria under IAS 2 Inventories, the definition of an asset under the Framework and the terms of the agreement with Seven Seas Storage Management *(2021: Mohebi Logistics)*and is satisfied that the cost of inventories held at the Seven Seas Storage Management' *(2021: Mohebi Logistics')* warehouse at year end should not be recorded in the financial statements.

Revenue on expired contracts
The Company is in the process of renewing certain contracts which have expired as at the end of the reporting period. The Company has reviewed the detailed criteria under IFRS 15 *Revenue Recognition* and is satisfied that it is appropriate to recognise revenue for such cases on the basis of signed meal sheets and mandays in addition to other relevant documentary / ongoing negotiations. Management expects formal approval of these contracts to be highly probable.

23 Leases

- *Leases in which the Company is a lessee*

Information about leases for which the Company is a lessee is presented below.

(a) Right of use assets

Refer to note 10 for movement in right-of-use assets during the year ended 30 September 2022.

(b) Amounts recognised in statement of profit or loss

	2022 AED	2021 AED
Depreciation of right-of-use assets	**9,443,689**	5,141,777
Interest on lease liabilities	**367,508**	66,578

(c) Amounts recognised in statement of cash flows

	2022 AED	2021 AED
Total cash outflow for leases	**9,725,896**	2,752,938

- *Leases in which the Company is a lessor*

The Company does not have any leases in the capacity of lessor.

24 Date of authorisation for issue

The financial statements were approved and authorised for issue by the Board of Directors in their meeting held on ..15 DEC 2022..............

AD N H COMPASS LLC

Financial statements

30 September 2023

Principal business address:
P.O. Box: 1897
Sharjah
United Arab Emirates

AD N H COMPASS LLC

Financial statements

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AD N H COMPASS LLC

Directors' Report

for the year ended 30 September 2023

The Directors have the pleasure in submitting their report, together with the audited financial statements of AD N H COMPASS LLC (the Company) for the year ended 30 September 2023.

Principal activities

The Company is engaged in the business of onshore and offshore catering, trading in foodstuffs and facilities management services.

Financial results

The results of the Company for the year are set out on page 7 of the financial statements.

Going concern basis

The Board of Directors has reasonable expectation that the Company has adequate resources and support to continue its operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements for the year ended 30 September 2023.

Transactions with related Parties

The financial statements disclose related party transactions and balances in note 13. All transactions are carried out as part of our normal course of business and in compliance with applicable laws and regulations.

Directors

The Directors who served during the year were:

Khalaf Sultan Rashed Saeed Aldhaheri
David Rees
Khalid Anib
Petros Parras

Auditors

KPMG were appointed as external auditors for the Company for the year ended 30 September 2023. KPMG have expressed their willingness to continue in office. A shareholder resolution for the reappointment of KPMG is proposed and to absolve them of their responsibility for the year ended 30 September 2024.

On behalf of the Board

Chairman

16 JAN 2024

KPMG Lower Gulf Limited
2004, Al Batha Tower
P.O. Box 28653, Buhaira Corniche
Sharjah, United Arab Emirates
Tel. +971 (6) 517 0700, www.kpmg.com/ae

Independent auditors' report

To the Shareholders of AD N H COMPASS LLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of AD N H COMPASS LLC ("the Company"), which comprise the statement of financial position as at 30 September 2023, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 30 September 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards).

Basis for Opinion

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

Other Information

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

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

Other Information (continued)

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Standards and their preparation in compliance with the applicable provisions of the UAE Federal Decree Law No. 32 of 2021 and for such internal control as management determines is necessary to enable the preparation of 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.

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

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

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

- Identify and assess the risks of material misstatement of the 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.

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

— 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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' 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, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

Further, as required by the UAE Federal Decree Law No. 32 of 2021, we report that for the year ended 30 September 2023:

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

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

iii) the Company has maintained proper books of account;

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

v) as disclosed in note 1 to the financial statements, the Company has not purchased any shares during the year ended 30 September 2023;

vi) note 13 to the financial statements discloses material related party transactions and the terms under which they were conducted; and

KPMG

Report on Other Legal and Regulatory Requirements (continued)

vii) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended 30 September 2023 any of the applicable provisions of the UAE Federal Decree Law No. 32 of 2021, its Articles of Association, which would materially affect its activities or its financial position as at 30 September 2023.

KPMG Lower Gulf Limited

Avtar Singh Jalif
Registration No.: 5413
Sharjah, United Arab Emirates

Date: 16 JAN 2024

AD N H COMPASS LLC

Statement of financial position
as at 30 September

	Note	2023 AED	2022 AED
Assets			
Non-current assets			
Property and equipment	*9*	164,035	86,868
Right of use assets	*10*	388,425	145,195
Total non-current assets		552,460	232,063
Current assets			
Inventories	*11*	239,271	208,592
Trade and other receivables	*12*	6,152,764	5,252,702
Cash and cash equivalents	*14*	28,567	26,060
Total current assets		6,420,602	5,487,354
Total assets		6,973,062	5,719,417
Equity and liabilities			
Equity			
Share capital	*15*	150,000	150,000
Statutory reserve	*16*	75,000	75,000
Retained earnings		2,175,684	1,089,786
Total equity		2,400,684	1,314,786
Non-current liabilities			
Lease liabilities	*20*	306,565	115,586
Total non-current liabilities		306,565	115,586
Current liabilities			
Provision for employees' end of service benefits	*17*	-	-
Trade and other payables	*18*	2,119,119	2,400,268
Due to related parties	*13*	2,066,279	1,859,833
Lease liabilities	*20*	80,415	28,944
Total current liabilities		4,265,813	4,289,045
Total liabilities		4,572,378	4,404,631
Total equity and liabilities		6,973,062	5,719,417

To the best of our knowledge the financial statements of the Company fairly presents, in all material respects, the financial position, results of operations and cash flows of the Company as of and for the year ended 30 September 2023.

Chairman

CEO-Middle East

The notes set out on pages 10 to 40 form an integral part of these financial statements.

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

AD N H COMPASS LLC

Statement of profit or loss and other comprehensive income
for the year ended 30 September

	Note	2023 AED	2022 AED
Revenue	6	**16,253,582**	12,548,134
Cost of revenue	7	**(13,294,607)**	(10,719,455)
Gross profit		**2,958,975**	1,828,679
Administrative expenses	8	**(50,077)**	(65,497)
Impairment loss on trade receivables	12	**(56,375)**	-
Finance cost	23	**(6,253)**	(2,810)
Profit for the year		**2,846,270**	1,760,372
Other comprehensive income		**-**	-
Total comprehensive profit for the year		**2,846,270**	1,760,372

The notes set out on pages 10 to 40 form an integral part of these financial statements.

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

AD N H COMPASS LLC

Statement of changes in equity

for the year ended 30 September

	Share capital AED *(note 15)*	Statutory reserve AED *(note 16)*	Retained earnings AED	Total equity AED
Balance at 1 October 2021	150,000	75,000	1,188,381	1,413,381
Profit for the year	-	-	1,760,372	1,760,372
Dividends *(note 15)*	-	-	(1,858,967)	(1,858,967)
Balance at 30 September 2022	150,000	75,000	1,089,786	1,314,786
Balance at 1 October 2022	**150,000**	**75,000**	**1,089,786**	**1,314,786**
Profit for the year	-	-	**2,846,270**	**2,846,270**
Dividends *(note 15)*	-	-	**(1,760,372)**	**(1,760,372)**
Balance at 30 September 2023	**150,000**	**75,000**	**2,175,684**	**2,400,684**

The notes set out on pages 10 to 40 form an integral part of these financial statements.

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

AD N H COMPASS LLC

Statement of cash flows

for the year ended 30 September

	Note	2023 AED	2022 AED
Cash flows from operating activities			
Profit for the year		**2,846,270**	1,760,372
Adjustments for:			
Depreciation of property and equipment	*9*	**63,474**	20,023
Provision for employees' end of service benefits	*17*	**216,136**	164,210
Depreciation of right-of-use assets	*10*	**35,522**	16,125
Finance cost	*23*	**6,253**	2,810
Impairment loss on trade receivables		**56,375**	-
		3,224,030	1,963,540
Changes in:			
- Inventories	*11*	**(30,679)**	(105,592)
- Trade and other receivables	*12*	**(956,437)**	1,366,432
- Due to related parties	*13*	**(25,012)**	(1,446,729)
- Trade and other payables	*18*	**(281,149)**	161,633
Net cash generated from operating activities		**1,930,753**	1,939,284
Cash flows from investing activity			
Additions to property and equipment	*9*	**(125,319)**	(51,475)
Net cash used in investing activity		**(125,319)**	(51,475)
Net cash used in financing activities			
Dividends paid	*15*	**(1,760,372)**	(1,858,967)
Principle payments related to lease liabilities	*20*	**(36,302)**	(16,790)
Interest payments related to lease liabilities	*20*	**(6,253)**	(2,810)
Net cash used in financing activities		**(1,802,927)**	(1,878,567)
Net increase in cash and cash equivalents		**2,507**	9,242
Cash and cash equivalents at the beginning of the year	*14*	**26,060**	16,818
Cash and cash equivalents at the end of the year	*14*	**28,567**	26,060
Non-cash transactions:			
Transfer of property and equipment	*9, 13*	**(15,322)**	(44,586)
Additions of right of use assets	*10*	**278,752**	161,320
Transfer of end of service benefits to related parties	*13, 17*	**(216,136)**	(164,210)
Recognition of lease liabilities	*20*	**242,450**	161,320

The notes set out on pages 10 to 40 form an integral part of these financial statements.

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

1 Legal status and principal activities

AD N H COMPASS LLC ("the Company") is incorporated in the Emirate of Sharjah under the UAE Federal Law No. (32) of 2021. The Company is a joint venture between Abu Dhabi National Hotels Company P.J.S.C. (a public joint stock company incorporated in Abu Dhabi) and Compass Group International B.V Netherland (a wholly owned subsidiary of Compass Company PLC incorporated in the United Kingdom).

The Company is engaged in the business of onshore and offshore catering, trading in foodstuffs and facilities management services.

The registered address of the Company is P.O. Box: 1897, Sharjah, United Arab Emirates.

The Company has not purchased any shares during the year ended 30 September 2023.

2 Basis of preparation

(a) *Statement of compliance*

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB") and applicable requirement of the UAE Federal Law No. 32 of 2021.

Federal Decree Law No. (32) of 2021 which repeals and replaces Federal Law No. (2) of 2015 (as amended) on Commercial Companies, was issued on 20 September 2021 and is effective from 2 January 2022.

(b) *Basis of measurement*

These financial statements have been prepared under the historical cost basis.

(c) *Functional and presentation currency*

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

(d) *Use of estimates and judgements*

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements, estimates and assumptions in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in note 22.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all years presented in these financial statements.

(a) Revenue recognition

Revenue is measured based on the consideration specified in the contract with the customer. The Company recognises revenue when transfers control over a good or service to the customer.

The Company recognises revenue based on a five-step model as set out in IFRS 15:

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

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met :

1. The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. 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 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 performance obligation is satisfied.

3 Significant accounting policies *(continued)*

(a) ***Revenue recognition*** *(continued)*

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Type of product/ services	**Nature and timing of satisfaction of performance obligations, including significant payments terms, revenue recognition under IFRS 15**
Manpower services	Income from manpower services are recognised in the accounting period when the related services have been performed and accepted by the customers and there are no significant uncertainties regarding recovery of the consideration due, associated costs or the rejection of the services provided. Revenue is stated net of discounts and returns. Revenue is recognised over the period in which these services are provided.
Catering services/Fixed fee services/ Food and beverage supplies revenue - back charge	Income from the specified services is recognised when a customer obtains control of the goods or the service is completed. For some contracts wherein the shipping and handling activities are performed after the transfer of goods to the customer, the customer controls the goods once it reaches their respective ports. The revenue from these contracts will be recognised as the goods reaches to the ports. If the Company acts in the capacity of an agent rather than as the principal in a transaction, then the revenue recognised is the net amount of costs made by the Company. The Company's assessment indicates that this will be regarded as a separate performance obligation and revenue allocation of a transaction price will be required as well as the shipping and handling costs for these contracts is recongised at the point in time – i.e. when the goods are delivered to customers' ports.

3 Significant accounting policies *(continued)*

(b) Property and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Historical cost includes expenditures that are directly attributable to the acquisition of the asset.

Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance is expensed as incurred.

Depreciation

Items of property, plant and equipment are depreciated on a straight-line basis in statement of profit or loss and other comprehensive income over the estimated useful lives of each component.

The estimated useful lives for the current and comparative periods are as follows:

	Years
Operating equipment	3 to 5
Furniture, fixtures and office equipment	3 to 4

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

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss and other comprehensive income.

3 Significant accounting policies *(continued)*

(c) Capital work-in-progress

Capital work-in-progress is stated at cost. All costs directly attributable to bringing the asset to the location and condition necessary for it to be used in the manner intended by management are included in the construction cost. No depreciation is charged on such assets until available for use. When commissioned, capital work-in-progress is transferred to the appropriate property, plant and equipment and intangible asset category and depreciated in accordance with the Company's policies.

(d) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and those overheads that have been incurred in bringing the inventories to their present location and condition and is calculated using the weighted average costing method. Net realisable value represents the estimated selling price less all estimated costs to be incurred in marketing, selling and distribution.

(e) Trade and other receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), these are classified as current assets. If not, these are presented as non-current assets. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

(f) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand, current accounts and deposits with banks with original maturities of three months or less, net of margin deposits, if any.

3 Significant accounting policies *(continued)*

(g) *Share capital*

Share capital represents the nominal (par) value of shares that have been issued to the shareholder. The Company may issue shares up to its authorised share capital. Each share has a nominal (par) value of AED 1,500. The Company may issue 1 share against each capital contribution (regardless of the amount contributed) or it may also elect to issue one share against multiple contributions received by the Company during a given reporting period.

(h) *Dividends paid to shareholder*

Dividends paid by the Company to its shareholders are first paid out of distributable profits to the extent available.

(i) *Employees' end of service benefits*

The Company provides end of service benefits to its expatriate employees. The entitlement to these benefits is usually based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Provision is made for estimated liability for the employees' end of service benefit and is calculated annually using the projected unit credit method.

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

With respect to UAE nationals employed by the Company, the Company makes contributions to the relevant UAE Government pension scheme calculated as a percentage of the employees' salaries. The obligations under these schemes are limited to these contributions, which are expensed when due.

(j) *Leases – Right-of-use assets and lease liabilities*

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

i. *As a lessee*

At the commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Company has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

3 Significant accounting policies *(continued)*

(j) Leases – Right-of-use assets and lease liabilities (continued)

i. As a lessee (continued)

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents 'right-of-use assets' and 'lease liabilities' as separate line items in the statement of financial position.

3 Significant accounting policies *(continued)*

(j) ***Leases – Right-of-use assets and lease liabilities*** *(continued)*

i. ***As a lessee*** *(continued)*

<u>Short-term leases and leases of low-value assets</u>
The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

ii. ***As a lessor***

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Company applies IFRS 15 to allocate the consideration in the contract.

The Company applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.
The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other revenue'.

Generally, the accounting policies applicable to the Company as a lessor in the comparative period were not different from IFRS 16 except for the classification of the sub-lease entered into during current reporting period that resulted in a finance lease classification.

3 Significant accounting policies *(continued)*

(k) Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers, and are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(l) Provisions

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

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

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

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and expected net cost of continuing with the contract, which is determined based on incremental costs necessary to fulfill the obligation under the contract. Before a provision is established, the Company recognises an impairment loss on the assets associated with that contract.

(m) Foreign currencies

Transactions in currencies other than UAE Dirham ("AED") are recorded at the exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss and other comprehensive income in the period in which they arise.

3 Significant accounting policies *(continued)*

(n) Financial instruments

i. Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

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

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

3 Significant accounting policies *(continued)*

(n) ***Financial instruments*** *(continued)*

ii. ***Classification and subsequent measurement*** *(continued)*

Financial assets – Business Model Assessment:
The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Company's management;
- The risk that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior period, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest:
For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

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

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

3 Significant accounting policies *(continued)*

***(n) Financial instruments** (continued)*

***ii. Classification and subsequent measurement** (continued)*

Financial assets *(continued)*

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest:

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets – Subsequent measurement and gains and losses

Financial asset at FVTPL
These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the statement of profit or loss and other comprehensive income.

Financial asset at amortised cost
These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in the statement profit or loss and other comprehensive income.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Financial liabilities mainly comprise trade and other payables and due to related party. These are initially recognised at fair value and subsequently stated at amortised cost using the effective interest method.

3 Significant accounting policies *(continued)*

(n) Financial instruments (continued)

iii. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. The Company enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

iv. Offsetting

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

v. Impairment

Non-derivative financial assets

Financial instruments

The Company recognizes loss allowances for ECLs on financial assets measured at amortized cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured at 12-month ECLs. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

3 Significant accounting policies *(continued)*

(n) Financial instruments (continued)

v. *Impairment (continued)*

Non-derivative financial assets *(continued)*

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly based on significant judgement. Specific factors management considers include the age of balance, background of the customers, existence of disputes, recent historical payment patterns and any other available information concerning the creditworthiness of the counterparty.

The Company considers a financial asset to be in default when the borrower is unlikely to pay its debt obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held).

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit impaired financial assets
At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

3 Significant accounting policies *(continued)*

***(n) Financial instruments** (continued)*

***v. Impairment** (continued)*

Non-derivative financial assets *(continued)*

Evidence that a financial asset is credit impaired includes the following observable data:
- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position
Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities FVOCI, the loss allowance is charged to profit or loss and is recognized in OCI.

Non - financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in the statement of profit or loss and other comprehensive income. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

vi. Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of financial asset in its entirety or a portion thereof. For corporate customers the Company individually makes an assessment with respect to the timing and amount of write off based on whether there is a reasonable expectation of recovering. The Company expects no significant recovery from the amount written off. However, financial assets that are good enough could still be subject to enforcement activities in order to comply with the Company's procedure for recovery of amounts due.

4 Changes in significant accounting policies and disclosures

4.1 New and amended standards

A number of new standards are effective for annual periods beginning after 1 January 2022 and earlier application is permitted, however, the Company has not early adopted the new or amended standards in preparing these financial statements.

The following amendments to existing standards and frameworks have been applied by the Company in the preparation of these financial statements.

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- COVID-19 – Related Rent Concessions beyond 30 June 2021 – Amendment to IFRS 16
- Annual improvements to IFRS Standards 2018-2020
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- Reference to the Conceptual Framework (Amendments to IFRS 3)

The adopting of the above did not result in any changes to previously reported financial statements of the Company.

4.2 New and amended standards issued but not effective

At the date of these financial statements, the following standards, amendments and interpretations have not been effective and have not been early adopted:

Standards issued but not yet effective	Effective for annual periods beginning on or after
Classification of liabilities as Current or Non-current (Amendments to IAS 1)	1 January 2023
IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts	1 January 2023
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	1 January 2023
Definition of Accounting Estimates (Amendments to IAS 8)	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	1 January 2023
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Effective date deferred indefinitely.

5 Financial risk management

Overview

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Board of Directors oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included in note 21 to these financial statements.

The senior management has overall responsibility for the establishment and oversight of the Company's risk management framework and is responsible for developing and monitoring the Company's risk management policies.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Company's customer base, including the default risk of the industry and country, in which customers operate, has less of an influence on credit risk. There is no concentration of credit risk.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main component of this allowance is a specific loss component that relates to individually significant exposures.

Cash and cash equivalents are held with high-credit-quality financial institutions.

5 Financial risk management *(continued)*

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company ensures that it has sufficient cash on demand to meet expected operational expenses for a short term period, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Market risk comprise of currency risk and interest rate risk.

Interest rate risk
The Company does not have any deposits or borrowings and accordingly is not adversely affected by interest rate risks.

Currency risk
Currency risk is limited as the Company's transactions are primarily denominated in USD and AED. The stability of the rate of exchange of AED to USD has been maintained since 1980.

Price risk
Price risk relates to the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company does not have investments in securities and is not exposed to equity price risk.

Capital Risk Management
The Company defines capital as share capital, statutory reserve and retained earnings. The primary objective of the Company's capital management is to avoid permanent impairment of capital in order to provide returns for the shareholders. To maintain or adjust the capital structure, the Company may align the dividend payment to shareholders, return capital to shareholders, issue new shares, obtain new borrowings or sell assets to reduce borrowings. The overall objective remains unchanged during the year ended 30 September 2023. The Company has a combination of debt and equity to maintain a sound capital position to support the investment activities of the Company.

Activities are assessed based on their risk and rewards and can be financed through debt or equity. To date, debt has been utilised on a conservative basis so as to enhance returns to investors both in a tax efficient and risk adverse manner. Other than certain requirements of the UAE Federal Law No. (32) of 2021, there were no externally imposed capital requirements which the Company must comply with.

6 Revenue

6.1 Type of revenue

	2023 AED	2022 AED
Catering services	**12,481,019**	10,036,584
Manpower services	**3,591,286**	2,377,321
Fixed fee services	**102,000**	75,129
Food and beverage supplies revenue - back charge	**79,277**	54,554
Other revenue	-	4,546
	16,253,582	12,548,134

6.2 Timing of revenue recognition

	2023 AED	2022 AED
Services transferred over time	**3,591,286**	2,377,321
Services transferred at point in time	**12,662,296**	10,170,813
	16,253,582	12,548,134

6.3 Geographical markets

All revenues are generated from UAE.

7 Cost of revenue

	2023 AED	2022 AED
Staff costs	**7,517,109**	5,372,588
Costs of materials	**5,048,773**	4,549,695
Maintenance expenses	**204,907**	416,249
Other cost of sales	**207,957**	163,702
Transportation	**2,121**	91,353
Rent expenses	**99,002**	76,198
Depreciation of property and equipment	**63,474**	20,023
Depreciation of right-of-use assets	**35,522**	16,125
Insurance	**5,543**	4,862
Vehicle hire	**7,050**	541
License fees	**31,673**	203
Others	**71,476**	7,916
	13,294,607	10,719,455

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Notes to the financial statements

8 Administrative expenses

	2023 AED	2022 AED
License fees	**20,405**	20,414
Rent expenses	**8,641**	16,810
Others	**21,031**	28,273
	50,077	65,497

9 Property and equipment

	Operating equipment AED	Furniture, fixtures and office equipment AED	Total AED
Cost			
At 1 October 2021	256,087	17,890	273,977
Additions	24,980	26,495	51,475
Transfers	69,306	13,046	82,352
Disposals	(17,500)	-	(17,500)
At 1 October 2022	**332,873**	**57,431**	**390,304**
Additions	114,009	11,310	125,319
Transfers	107,113	13,537	120,650
At 30 September 2023	**553,995**	**82,278**	**636,273**
Accumulated depreciation			
At 1 October 2021	250,739	12,408	263,147
Charge for the year	13,279	6,744	20,023
Transfers	27,715	10,051	37,766
Disposals	(17,500)	-	(17,500)
At 1 October 2022	274,233	29,203	303,436
Charge for the year	48,414	15,060	63,474
Transfers	93,711	11,617	105,328
At 30 September 2023	**416,358**	**55,880**	**472,238**
Net carrying amount			
At 30 September 2022	58,640	28,228	86,868
At 30 September 2023	**137,637**	**26,398**	**164,035**

AD N H COMPASS LLC

Notes to the financial statements

10 Right-of-use assets

	AED
Cost	
At 1 October 2021	-
Additions	161,320
At 1 October 2022	161,320
Additions	278,752
At 30 September 2023	**440,072**
Accumulated depreciation	
At 1 October 2021	-
Charge for the year	16,125
At 1 October 2022	16,125
Charge for the year	35,522
At 30 September 2023	**51,647**
Net carrying amount	
At 30 September 2022	145,195
At 30 September 2023	**388,425**

11 Inventories

	2023 AED	2022 AED
Food supplies	**143,777**	108,575
Operating supplies	**95,494**	100,017
	239,271	208,592

12 Trade and other receivables

	2023 AED	2022 AED
Trade receivables	**5,780,402**	4,703,512
Provision for doubtful debts	**(302,823)**	(246,448)
	5,477,579	4,457,064
Prepayment	**18,305**	176,647
Accrued income	**649,566**	611,082
Other receivables	**7,314**	7,909
	6,152,764	5,252,702

The Company has adopted a policy of dealing with only creditworthy counterparties. Adequate credit assessment is made before accepting an order for provision of services from a counterparty. Out of the total trade receivables balance at the end of the year, AED 5,026,675 representing 87% of total trade receivables *(2022: AED 3,946,112 representing 84% of total trade receivables)* is due from three major customers. The Company considers these customers to be reputable and creditworthy.

Included in the Company's trade receivables balance are debtors with a carrying amount of AED 3,676,957 *(2022: AED 2,540,856)* which are past due at the end of the reporting period for which the Company has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Company does not hold any collateral over these balances.

<u>Trade receivable ageing (gross):</u>

	2023 AED	2022 AED
Not due	**2,103,445**	2,162,656
Due for 1 to 60 days	**950,509**	613,734
Due for 61 to 90 days	**239,111**	251,362
Due for 91 to 120 days	**33,992**	229,493
Due for 121 to 365 days	**1,541,711**	1,385,436
More than 365 days	**911,634**	60,831
	5,780,402	4,703,512

The movement in the allowance for doubtful receivables during the year was as follows:

	2023 AED	2022 AED
At 1 October	**246,448**	246,448
Impairment loss on trade receivables	**56,375**	-
At 30 September	**302,823**	246,448

13 Related party transactions and balances

Related parties represent major shareholders 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.

Related party	**Relationship**
Abu Dhabi National Hotels Company Compass Middle East LLC	Fellow subsidiary
Al Ghazal Transport Company	Fellow subsidiary
Sun Shine Travel & Tours	Fellow subsidiary

The volume of related party transactions, outstanding balances and related expenses and income for the year are as follows:

(a) *Significant related party transactions*

	2023 AED	2022 AED
Transfer of property and equipment, net *(note 9)*	**15,322**	44,586
Transfer of end of service benefits to a related party *(note 17)*	**(216,136)**	(164,210)

(b) *Due to related parties*

	2023 AED	2022 AED
Abu Dhabi National Hotels Company Compass Middle East LLC	**1,998,723**	1,835,741
Al Ghazal Transport Company	**66,096**	24,092
Sunshine Travel & Tours	**1,460**	-
	2,066,279	1,859,833

Transactions with key management personnel

There are no key management personnel specifically assigned to the Company. There are a number of key management personnel in Abu Dhabi National Hotels Company Compass Middle East LLC (a fellow subsidiary) and their aggregate compensation is disclosed in the financial statements of this fellow subsidiary. Certain members of this fellow subsidiary are regarded as key management personnel of the Company but, as no proportion of their compensation is recharged to the Company, as management considers that it would not be helpful to the user to disclose this amount in these financial statements.

14 Cash and cash equivalents

	2023 AED	2022 AED
Cash in hand	**28,567**	26,060

15 Share capital

	Number of Shares	2023 and 2022 AED
Authorised, issued and fully paid (par value AED 1,500 per share)	**100**	**150,000**

	Number of Shares	2023 and 2022 AED
Abu Dhabi National Hotels Company P.J.S.C	**51**	**76,500**
Compass Group International B.V Netherland	**49**	**73,500**
	100	**150,000**

All shares rank equally with regard to the Company's residual assets. Holder of these shares is entitled to dividends as declared from time to time and entitled to one vote per share at general meetings of the Company.

During the year ended 30 September 2023, the Company paid dividends of AED 1,760,372 at AED 17,604 per share, *(2022: AED 1,858,967, at AED 18,590 per share).*

The Company is under the ultimate joint control between Abu Dhabi National Hotels Company P.J.S.C. (a public joint stock company incorporated in Abu Dhabi) and Compass Group International B.V Netherland (a wholly owned subsidiary of Compass Company PLC incorporated in the United Kingdom).

16 Statutory reserve

In accordance with the Company's Articles of Association and in line with the provisions of the UAE Federal Law No.32 of 2021, the Company is required to transfer annually to a legal reserve account an amount equal to 5% of its annual profits until such reserve reaches 50% of the paid-up capital of the Company. This reserve is not available for distribution.

17 Provision for employees' end of service benefits

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

	2023 AED	2022 AED
As 1 October	-	-
Charge for the year	**216,136**	164,210
Transfers to related parties *(note 13)*	**(216,136)**	(164,210)
At 30 September	-	-

Some employees have been transferred to a related company and accordingly, the provision for end of service benefits for these employees was also transferred.

AD N H COMPASS LLC

Notes to the financial statements

18 Trade and other payables

	2023	2022
	AED	AED
Trade payables	**1,495,926**	1,535,039
Accrued expenses	**425,515**	495,994
Other payables	**197,678**	369,235
	2,119,119	2,400,268

The Company has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

19 Profit for the year

Profit for the year is stated after charging:

	2023	2022
	AED	AED
Staff costs (note 7)	**7,517,109**	5,372,588
Depreciation of property and equipment	**63,474**	20,023

20 Lease liabilities

	2023	2022
	AED	AED
Lease liabilities	**386,980**	144,530

The terms and conditions of outstanding lease liabilities are as follows:

	Currency	**Nominal Interest rate**	**Year of Maturity**	**30 September 2023**	30 September 2022
				AED	AED
Lease liabilities	AED	2.69%-3.8%	2023-2029	**386,980**	144,530

During the year an amount of AED 36,302 *(2022: AED 16,790)* was paid towards principal and AED 6,253 *(2022: AED 2,810)* was paid towards interest *(Note 23)*.

20 Lease liabilities *(continued)*

Lease liabilities – movement

	2023	2022
	AED	AED
At 1 October	**144,530**	-
Additions during the year	**278,752**	161,320
Finance cost	**6,253**	2,810
Repayment during the year	**(42,555)**	(19,600)
At 30 September	**386,980**	144,530

Lease liabilities is classified as follows:

	2023 AED	2022 AED
Non-current portion	**306,565**	115,586
Current portion	**80,415**	28,944
	386,980	144,530

The contractual cash flows for these loans are as follows:

		Contractual cash flows			
	Carrying Value AED	Less than 1 Year AED	Between 1 - 5 years AED	Later than 5 Years AED	Total AED
30 September 2023					
Lease liabilities	**386,980**	**80,415**	**267,750**	**38,815**	**386,980**
30 September 2022					
Lease liabilities	144,530	28,944	115,586	-	144,530

21 Financial instruments

Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return on equity. The Company's overall strategy remains unchanged from 2022.

Credit risk

Exposure to credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has no significant credit risk as a result of dealing with third parties. Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central banks of the respective countries. Trade receivables have a credit of 45 - 60 days and there has been no history of default. Amount due from related parties are recoverable on demand as and when the Company needs funding.

Concentration of credit risk arise when a number of counter-parties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Company's performance to developments affecting a particular industry or geographic location. All balances with banks represent local commercial banks.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Note	**2023**	2022
		AED	AED
Trade and other receivables (excluding prepayment and accrued income)	*12*	**5,484,893**	4,464,973
		5,484,893	4,464,973

AD N H COMPASS LLC

Notes to the financial statements

21 Financial instruments *(continued)*

Liquidity risk

The maturity profile of financial liabilities at the end of the reporting period based on existing contractual repayment arrangements was as follows:

	Note	**Carrying Amount AED**	**Less than 1 year AED**	**1 to 5 years AED**
At 30 September 2023				
Due to related parties	*13*	**2,066,279**	**2,066,279**	-
Trade and other payables	*18*	**2,119,119**	**2,119,119**	-
		4,185,398	**4,185,398**	-
At 30 September 2022				
Due to a related party	*13*	1,859,833	1,859,833	-
Trade and other payables	*18*	2,400,268	2,400,268	-
		4,260,101	4,260,101	-

The amounts are gross and undiscounted and include estimated interest payments.

Market risk

Interest rate risk
Interest rate risk arises from the possibility that changes in interest rates will affect the net interest income of the Company. The Company is not exposed to cash flow or fair value interest rate risk.

Currency risk
The Company's transactions are primarily carried out in USD or AED. The stability of rate of exchange of the AED to the USD has been maintained since 1980. There have been no foreign currencies transactions.

AD N H COMPASS LLC

Notes to the financial statements

21 Financial instruments *(continued)*

Fair value of financial assets and liabilities
The Company measures all its financial assets and financial liabilities at amortised cost. Management considers that the fair values of financial assets and financial liabilities approximate their carrying values as stated in the consolidated financial statements. When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

22 Accounting estimates and judgements

In the process of applying the Company's accounting policies, which are described in note 3, management makes judgements that has the most significant effect on the amounts of assets and liabilities recognised in the financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Impairment on receivables
The Company reviews its receivables to assess impairment at least on an annual basis. An estimate of the collectible amount of trade and other receivables is made when collection of the full amount is no longer probable. This determination of whether the receivables are impaired, entails Management evaluating, the specific credit and liquidity position of the customers and related parties and their historical recovery rates, including review of current economic environment. The difference between the estimated collectible amount and the recorded amount is recognised as an expense in profit or loss. Any difference between the amounts expected and the amounts actually collected in the future periods is recognised in profit or loss at the time of collection. Impairment of trade and other receivables at 30 September 2023 AED 302,823 *(2022: AED 246,448)*.

Useful lives of property and equipment
Management assigns useful lives and residual values to the items of property and equipment based on the intended use of the assets and the expected economic lives of those assets. Subsequent changes in circumstances such as technological advances or prospective utilisation of the assets concerned could result in the actual useful lives or residual values differing from the initial estimates. Management has reviewed the residual values and useful lives of the major items of property and equipment and have determined that no adjustment is necessary.

22 Accounting estimates and judgements *(continued)*

Impairment of property and equipment
Property and equipment are assessed for impairment based on assessment of cash flows on individual cash generating units when there is indication of impairment. Cash flows are determined based on contractual agreements and estimations over the useful life of the assets and discounted using a range of discounting rates representing the rate of return on such cash generating units. The net present values are compared to the carrying amounts to assess any probable impairment. Impairment of property and equipment is AED Nil as at 30 September 2023 *(2022: AED Nil)*.

Impairment on inventory obsolescence
Inventories are stated net of allowance for obsolescence. Management has considered the allowance required for inventory obsolescence based on the current economic environment and past obsolescence history. Management believes that no impairment is required as of 30 September 2023 and 2022.

23 Leases

- *Leases in which the Company is a lessee*

Information about leases for which the Company is a lessee is presented below.

(a) *Right of use assets*

Refer to note 10 for movement in right-of-use assets during the year ended 30 September 2023.

(b) *Amounts recognised in statement of profit or loss*

	2023	2022
	AED	AED
Depreciation of right-of-use assets	**35,522**	16,125
Interest on lease liabilities	**6,253**	2,810

(c) *Amounts recognised in statement of cash flows*

	2023	2022
	AED	AED
Total cash outflow for leases	**42,555**	19,600

- *Leases in which the Company is a lessor*

The Company does not have any leases in the capacity of lessor.

24 Corporate tax

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

The Cabinet of Ministers Decision No. 116/2022 effective from 2023, specifies the threshold of income over which the 9% tax rate would apply and accordingly, the Law is now considered to be substantively enacted. A rate of 9% will apply to taxable income exceeding AED 375,000, a rate of 0% will apply to taxable income not exceeding AED 375,000. The Company has assessed the possible impact on the financial statements, and concluded that the results for the nine-month period ended 30 September 2023 are not impacted by the transition requirements. For the Company, current taxes shall be accounted for as appropriate in the financial statements for the period beginning 1 September 2023.

In accordance with IAS 12 Income Taxes, the related deferred tax accounting impact has been considered for the financial year ended 30 September 2023. Since the corporate tax was introduced only recently, this may create tax risks in UAE that are more significant than in other countries. The Company has assessed the deferred tax implications for the nine months ended 30 September 2023 and, after considering its interpretations of applicable tax law, official pronouncements, cabinet decisions and ministerial decisions (especially with regard to transition rules), it has been concluded that it is not expected to be material. The Company shall continue to monitor critical Cabinet Decisions to determine the impact on the Company, from deferred tax perspective.

25 Date of authorisation for issue

The financial statements were approved and authorised for issue by the Board of Directors in its meeting held on 16 JAN 2024

Abu Dhabi National Hotels Compass LLC

Financial statements

30 September 2022

Principal business address:
P.O. Box: 1897
Sharjah
United Arab Emirates

Abu Dhabi National Hotels Compass LLC

Financial statements

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Abu Dhabi National Hotels Compass LLC

Directors' Report

for the year ended 30 September 2022

The Directors have the pleasure in submitting their report, together with the audited financial statements of Abu Dhabi National Hotels Compass LLC (the Company) for the year ended 30 September 2022.

Principal activities

The Company is engaged in the business of onshore and offshore catering, trading in foodstuffs and facilities management services.

Financial results

The results of the Company for the year are set out on page 7 of the financial statements.

Going concern basis

The Board of Directors has reasonable expectation that the Company has adequate resources and support to continue its operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements for the year ended 30 September 2022.

Transactions with related Parties

The financial statements disclose related party transactions and balances in note 13. All transactions are carried out as part of our normal course of business and in compliance with applicable laws and regulations.

Directors

The Directors who served during the year were:

Ahmed Khalifa Al Mehairi
David Rees (appointed on 11 November 2021)
Khalid Anib
Petros Parras
Venkatesh Shantaram (resigned on 11 November 2021)

Auditors

KPMG were appointed as external auditors for the Company for the year ended 30 September 2022. KPMG have expressed their willingness to continue in office. A shareholder resolution for the reappointment of KPMG is proposed and to absolve them of their responsibility for the year ended 30 September 2022.

On behalf of the Board

Chairman

15 DEC 2022

KPMG Lower Gulf Limited
2004, Al Batha Tower
P.O.Box 28653, Buhaira Corniche
Sharjah, United Arab Emirates
Tel. +971 (6) 517 0700, www.kpmg.com/ae

Independent auditors' report

To the Shareholders of Abu Dhabi National Hotels Compass LLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Abu Dhabi National Hotels Compass LLC ("the Company"), which comprise the statement of financial position as at 30 September 2022, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 30 September 2022, 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 *Auditors' 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 financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

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

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

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and their preparation in compliance with the applicable provisions of the UAE Federal Law No. (2) of 2015 (as amended) and the UAE Federal Decree Law No. 32 of 2021, as applicable during the period, 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.

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

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

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

— Identify and assess the risks of material misstatement of the 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.

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

- 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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' 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, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

Further, as required by UAE Federal Law No. (2) of 2015 (as amended) and the UAE Federal Decree Law No. 32 of 2021 (referred to as "applicable laws"), we report that for the year ended 30 September 2022:

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

ii) the financial statements have been prepared and comply, in all material respects, with the applicable provisions of the applicable laws;

iii) the Company has maintained proper books of account;

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

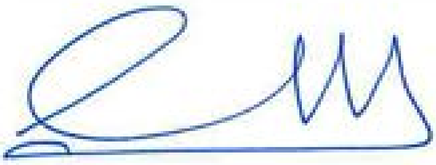
v) as disclosed in note 1 to the financial statements, the Company has not purchased any shares during the year ended 30 September 2022;

vi) note 12 to the financial statements discloses material related party transactions and the terms under which they were conducted; and

Report on Other Legal and Regulatory Requirements (continued)

vii) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended 30 September 2022 any of the applicable provisions of the applicable laws or its Articles of Association, which would materially affect its activities or its financial position as at 30 September 2022.

KPMG Lower Gulf Limited – SHJ BR



Saif Fayez Shawer
Registration No.: 1131
Sharjah, United Arab Emirates

Date: 15 DEC 2022

Abu Dhabi National Hotels Compass LLC

Statement of financial position
as at 30 September

	Note	2022 AED	2021 AED
Assets			
Non-current assets			
Property and equipment	*9*	**86,868**	10,830
Right of use assets	*10*	**145,195**	-
Total non-current assets		**232,063**	10,830
Current assets			
Inventories	*11*	**208,592**	103,000
Trade and other receivables	*12*	**5,252,702**	6,619,134
Cash and cash equivalents	*14*	**26,060**	16,818
Total current assets		**5,487,354**	6,738,952
Total assets		**5,719,417**	6,749,782
Equity and liabilities			
Equity			
Share capital	*15*	**150,000**	150,000
Statutory reserve	*16*	**75,000**	75,000
Retained earnings		**1,089,786**	1,188,381
Total equity		**1,314,786**	1,413,381
Non-current liabilities			
Lease liabilities	*20*	**115,586**	-
Total non-current liabilities		**115,586**	-
Current liabilities			
Trade and other payables	*18*	**2,400,268**	2,238,635
Due to related parties	*13*	**1,859,833**	3,097,766
Lease liabilities	*20*	**28,944**	-
Total current liabilities		**4,289,045**	5,336,401
Total liabilities		**4,404,631**	5,336,401
Total equity and liabilities		**5,719,417**	6,749,782

To the best of our knowledge the financial statements of the Company fairly presents, in all material respects, the financial position, results of operations and cash flows of the Company as of and for the year ended 30 September 2022.

Chairman | *CEO-Middle East*

The notes set out on pages 10 to 37 form an integral part of these financial statements.

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

Abu Dhabi National Hotels Compass LLC

Statement of profit or loss and other comprehensive income
for the year ended 30 September

	Note	**2022 AED**	2021 AED
Revenue	*6*	**12,548,134**	10,228,342
Cost of revenue	*7*	**(10,719,455)**	(8,311,218)
Gross profit		**1,828,679**	1,917,124
Administrative expenses	*8*	**(65,497)**	(58,157)
Finance cost		**(2,810)**	-
Profit for the year		**1,760,372**	1,858,967
Other comprehensive income		**-**	-
Total comprehensive profit for the year		1,760,372	1,858,967

The notes set out on pages 10 to 37 form an integral part of these financial statements.

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

Abu Dhabi National Hotels Compass LLC

Statement of changes in equity
for the year ended 30 September

	Share capital AED *(note 15)*	Statutory reserve AED *(note 16)*	Retained earnings AED	Total equity AED
Balance at 1 October 2020	150,000	75,000	1,263,900	1,488,900
Profit for the year	-	-	1,858,967	1,858,967
Dividends *(note 15)*	-	-	(1,934,486)	(1,934,486)
Balance at 30 September 2021	150,000	75,000	1,188,381	1,413,381
Balance at 1 October 2021	150,000	75,000	1,188,381	1,413,381
Profit for the year	-	-	1,760,372	1,760,372
Dividends *(note 15)*	-	-	(1,858,967)	(1,858,967)
Balance at 30 September 2022	**150,000**	**75,000**	**1,089,786**	**1,314,786**

The notes set out on pages 10 to 37 form an integral part of these financial statements.

Abu Dhabi National Hotels Compass LLC

Statement of cash flows
for the year ended 30 September

	Note	**2022 AED**	2021 AED
Cash flows from operating activities			
Profit for the year		**1,760,372**	1,858,967
Adjustments for:			
Depreciation of property and equipment	*9*	**20,023**	26,301
Provision for employees' end of service benefits	*17*	**164,210**	99,272
Depreciation of right-of-use assets	*10*	**16,125**	-
Finance cost		**2,810**	-
		1,963,540	1,984,540
Changes in:			
- Inventories	*11*	**(105,592)**	(9,683)
- Trade and other receivables	*12*	**1,366,432**	(3,279,804)
- Due from a related party	*13*	**-**	383,055
- Due to related parties	*13*	**(1,446,729)**	2,995,846
- Trade and other payables	*18*	**161,633**	(128,506)
Net cash generated from operating activities		**1,939,284**	1,945,448
Cash flows from investing activity			
Additions to property and equipment	*9*	**(51,475)**	(6,395)
Net cash used in investing activity		**(51,475)**	(6,395)
Net cash used in financing activities			
Dividends paid	*15*	**(1,858,967)**	(1,934,486)
Lease liabilities paid	*20*	**(19,600)**	-
Net cash used in investing activities		**(1,878,567)**	(1,934,486)
Net increase in cash and cash equivalents		**9,242**	4,567
Cash and cash equivalents at the beginning of the year	*14*	**16,818**	12,251
Cash and cash equivalents at the end of the year	*14*	**26,060**	16,818
Non-cash transactions:			
Transfer of property and equipment	*9, 13*	**(44,586)**	(2,648)
Additions of right of use assets	*10*	**161,320**	-
Transfer of end of service benefits to related parties	*13, 17*	**(164,210)**	(99,272)
Recognition of lease liabilities	*20*	**161,320**	-

The notes set out on pages 10 to 37 form an integral part of these financial statements.

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

Abu Dhabi National Hotels Compass LLC – Abu Dhabi

Notes to the financial statements

1 Legal status and principal activities

Abu Dhabi National Hotels Compass LLC ("the Company") is incorporated in the Emirate of Sharjah under the UAE Federal Law No. (2) of 2015 (as amended). The Company is a joint venture between Abu Dhabi National Hotels Company P.J.S.C. (a public joint stock company incorporated in Abu Dhabi) and Compass Group International B.V Netherland (a wholly owned subsidiary of Compass Company PLC incorporated in the United Kingdom).

The Company is engaged in the business of onshore and offshore catering, trading in foodstuffs and facilities management services.

The registered address of the Company is P.O. Box: 1897, Sharjah, United Arab Emirates.

The Company has not purchased any shares during the year ended 30 September 2022.

2 Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") and the applicable provisions of UAE Federal Law No. (2) of 2015 (as amended).

The Company is required, for the year ended 30 September 2022, to be in compliance with the provisions of the UAE Federal Law No. 2 of 2015 (as amended). On 20 September 2021, the UAE Federal Decree Law No. 32 of 2021 was issued and came into effect on 2 January 2022 which repealed the UAE Federal Law No. 2 of 2015 (as amended). The Company has 12 months from 2 January 2022 to comply with the provisions of the UAE Federal Decree Law No 32 of 2021. The Company is in the process of reviewing the new provisions and will apply the requirements thereof no later than one year from the date on which the amendments came into effect.

(b) Basis of measurement

These financial statements have been prepared under the historical cost basis.

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements, estimates and assumptions in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in note 22.

2 Basis of preparation *(continued)*

(e) Impact of Coronavirus

The coronavirus outbreak since early 2020 has brought about additional uncertainties in the Company's operating environment.

The Company has been closely monitoring the impact of the developments on the Company's businesses and has put in place contingency measures. These contingency measures include business continuity plans across the Company. Critical business continuity is identified in order to ensure full functionality of the Company's systems to protect the core operations.

As far as the Company's businesses are concerned, the Company is continually committed to meet the operational targets, without compromising health, safety and environment (HSE) and asset integrity. Operational and capital costs are funded without delay or interruption, through projects with the national oil company. As the situation is fast evolving, the effect of the outbreak is subject to significant levels of uncertainty, with the full range of possible effects unknown.

Management applied its judgement in determining the impact of this uncertainty and has prepared the financial information on a going concern basis as operations has not been largely affected by coronavirus and the Company's major customers have been remitting payments promptly.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all years presented in these financial statements.

(a) Revenue recognition

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. Under IFRS 15, revenue is measured based on the consideration specified in a contract with a customer and excludes amount collected on behalf of third parties. The Company recognises revenue when it transfers control over product or service to a customer. The Company recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the Company; and when specific criteria have been met as described below:

i. Sale of goods

Revenue is recognised when a customer obtains control of the goods. For some contracts wherein the shipping and handling activities are performed after the transfer of goods to the customer, the customer controls the goods once it reaches their respective ports. The revenue from these contracts will be recognised as the goods reaches to the ports.

The Company's assessment indicates that this will be regarded as a separate performance obligation and revenue allocation of a transaction price will be required as well as the shipping and handling costs for these contracts is recongised over time – i.e. when the goods are delivered to customers' ports.

3 Significant accounting policies *(continued)*

(a) Revenue recognition (continued)

i. Sale of goods (continued)

For certain contracts that permit the customer to return an item, revenue is currently recognised when a reasonable estimate of the returns can be made, provided that all other criteria for revenue recognition are met. If a reasonable estimate cannot be made, then revenue recognition is deferred until the return period lapses or a reasonable estimate of returns can be made.

Under IFRS 15, revenue is recognised for these contracts to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognised will not occur. As a consequence, for those contracts for which the Company is unable to make reasonable estimate of return, revenue is expected to be recognised sooner than when the return period lapses or a reasonable estimate can be made.

ii. Rendering of services

Income from catering services, manpower services and other services are recognised in the accounting period when the related services have been performed and accepted by the customers and there are no significant uncertainties regarding recovery of the consideration due, associated costs or the rejection of the services provided. Revenue is stated net of discounts and returns.

If the Company acts in the capacity of an agent rather than as the principal in a transaction, then the revenue recognised is the net amount of costs made by the Company.

For the accounting policy for onerous contracts, please refer to 3(k).

(b) Property and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Historical cost includes expenditures that are directly attributable to the acquisition of the asset.

Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance is expensed as incurred.

Depreciation

Items of property, plant and equipment are depreciated on a straight-line basis in statement of profit or loss and other comprehensive income over the estimated useful lives of each component.

3 Significant accounting policies *(continued)*

(b) ***Property and equipment*** *(continued)*

Depreciation (continued)

The estimated useful lives for the current and comparative periods are as follows:

	Years
Operating equipment	3 to 5
Furniture, fixtures and office equipment	3 to 4

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

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss and other comprehensive income.

(c) ***Capital work-in-progress***

Capital work-in-progress is stated at cost. All costs directly attributable to bringing the asset to the location and condition necessary for it to be used in the manner intended by management are included in the construction cost. No depreciation is charged on such assets until available for use. When commissioned, capital work-in-progress is transferred to the appropriate property, plant and equipment and intangible asset category and depreciated in accordance with the Company's policies.

(d) ***Inventories***

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and those overheads that have been incurred in bringing the inventories to their present location and condition and is calculated using the weighted average costing method. Net realisable value represents the estimated selling price less all estimated costs to be incurred in marketing, selling and distribution.

(e) ***Trade and other receivables***

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), these are classified as current assets. If not, these are presented as non-current assets. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

(f) ***Cash and cash equivalents***

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand, current accounts and deposits with banks with original maturities of three months or less, net of margin deposits, if any.

3 Significant accounting policies *(continued)*

(g) Share capital

Share capital represents the nominal (par) value of shares that have been issued to the shareholder. The Company may issue shares up to its authorised share capital. Each share has a nominal (par) value of AED 1,500. The Company may issue 1 share against each capital contribution (regardless of the amount contributed) or it may also elect to issue one share against multiple contributions received by the Company during a given reporting period.

(h) Dividends paid to shareholder

Dividends paid by the Company to its shareholders are first paid out of distributable profits to the extent available.

(i) Employees' end of service benefits

Provision is made for the full amount of end of service benefits due to employees in accordance with the UAE Labour Law, for their period of service up to the end of the reporting period. The accrual relating to annual leave and leave passage is disclosed as a current liability, while the provision relating to end of service benefits is disclosed as a non-current liability.

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

With respect to UAE nationals employed by the Company, the Company makes contributions to the relevant UAE Government pension scheme calculated as a percentage of the employees' salaries. The obligations under these schemes are limited to these contributions, which are expensed when due.

(j) Leases – Right-of-use assets and lease liabilities

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

i. As a lessee

At the commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Company has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

3 Significant accounting policies *(continued)*

(j) Leases – Right-of-use assets and lease liabilities (continued)

i. As a lessee (continued)

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents 'right-of-use assets' and 'lease liabilities' as separate line items in the statement of financial position.

3 Significant accounting policies *(continued)*

(j) ***Leases – Right-of-use assets and lease liabilities*** *(continued)*

i. ***As a lessee*** *(continued)*

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

ii. ***As a lessor***

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Company applies IFRS 15 to allocate the consideration in the contract.

The Company applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.
The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other revenue'.

Generally, the accounting policies applicable to the Company as a lessor in the comparative period were not different from IFRS 16 except for the classification of the sub-lease entered into during current reporting period that resulted in a finance lease classification.

3 Significant accounting policies *(continued)*

(k) Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers, and are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(l) Provisions

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

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

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

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and expected net cost of continuing with the contract, which is determined based on incremental costs necessary to fulfill the obligation under the contract. Before a provision is established, the Company recognises an impairment loss on the assets associated with that contract.

(m) Foreign currencies

Transactions in currencies other than UAE Dirham ("AED") are recorded at the exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss and other comprehensive income in the period in which they arise.

3 Significant accounting policies *(continued)*

(n) Financial instruments

i. Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

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

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

3 Significant accounting policies *(continued)*

(n) *Financial instruments (continued)*

ii. *Classification and subsequent measurement (continued)*

Financial assets – Business Model Assessment:

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

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Company's management;
- The risk that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior period, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest:

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

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

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

3 Significant accounting policies *(continued)*

***(n) Financial instruments** (continued)*

***ii. Classification and subsequent measurement** (continued)*

Financial assets *(continued)*

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest:

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets – Subsequent measurement and gains and losses

Financial asset at FVTPL
These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the statement of profit or loss and other comprehensive income.

Financial asset at amortised cost
These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in the statement profit or loss and other comprehensive income.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Financial liabilities mainly comprise trade and other payables and due to related party. These are initially recognised at fair value and subsequently stated at amortised cost using the effective interest method.

3 Significant accounting policies *(continued)*

(n) Financial instruments (continued)

iii. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. The Company enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

iv. Offsetting

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

v. Impairment

Non-derivative financial assets

Financial instruments

The Company recognizes loss allowances for ECLs on financial assets measured at amortized cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured at 12-month ECLs. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

3 Significant accounting policies *(continued)*

(n) ***Financial instruments*** *(continued)*

v. ***Impairment*** *(continued)*

Non-derivative financial assets *(continued)*

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly based on significant judgement. Specific factors management considers include the age of balance, background of the customers, existence of disputes, recent historical payment patterns and any other available information concerning the creditworthiness of the counterparty.

The Company considers a financial asset to be in default when the borrower is unlikely to pay its debt obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held).

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

3 Significant accounting policies *(continued)*

(n) ***Financial instruments*** *(continued)*

v. ***Impairment*** *(continued)*

Non-derivative financial assets *(continued)*

Evidence that a financial asset is credit impaired includes the following observable data:
- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position
Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities FVOCI, the loss allowance is charged to profit or loss and is recognized in OCI.

Non - financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in the statement of profit or loss and other comprehensive income. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

vi. ***Write-off***

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of financial asset in its entirety or a portion thereof. For corporate customers the Company individually makes an assessment with respect to the timing and amount of write off based on whether there is a reasonable expectation of recovering. The Company expects no significant recovery from the amount written off. However, financial assets that are good enough could still be subject to enforcement activities in order to comply with the Company's procedure for recovery of amounts due.

4 Changes in significant accounting policies and disclosures

4.1 New currently effective standards

The Company applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2021. The nature and effect of these changes, if any, are disclosed below. Although these new standards and amendments were applied for the first time during the year ended 30 September 2022, they did not have a material impact on the annual financial statements of the Company.

New currently effective standards	Effective for annual periods beginning on or after
Interest rate benchmark reforms – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16.	1 January 2021
COVID-19 related rent concessions (Amendment to IFRS 16)	1 April 2021

Other than the above, there are no other significant IFRSs and amendments that were effective for the first time for the financial year beginning on or after 1 January 2021.

4.2 Standards issued but not yet effective

A number of new standards are effective for annual periods beginning after 1 January 2022 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements. Management anticipates that these new and revised standards, interpretations and amendments will be adopted in the Company's financial statements for the year beginning 1 October 2021 or as and when they are applicable and adoption of these new standards, interpretations and amendments may have no material impact on the financial statements of the Company in the period of initial application.

Standards issued but not yet effective	Effective for annual periods beginning on or after
Onerous Contracts – Cost of fulfilling a Contract (Amendment to IAS 37)	1 January 2022
Annual Improvements to IFRS Standards 2018-2020	1 January 2022
Property, plant and Equipment: Proceeds before Intended Use (Amendment to IAS 16)	1 January 2022
Reference to Conceptual Framework (Amendments to IFRS 3)	1 January 2022
Classification of Liabilities as Current or Non-current – Amendments to IAS 1	1 January 2023
Disclosure of Accounting policies – Amendments to IAS 1 and IFRS Practice Statement 2	1 January 2023
Definition of Accounting Estimate – Amendments to IAS 8	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	1 January 2023
IFRS 17 *Insurance Contracts*	1 January 2023
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Effective date deferred indefinitely.

Management anticipates that when they are applicable and adoption of these new and revised standards, interpretations and amendments may have no material impact on the financial statements of the Company in the period of initial application.

5 Financial risk management

Overview

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Board of Directors oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included in note 21 to these financial statements.

The senior management has overall responsibility for the establishment and oversight of the Company's risk management framework and is responsible for developing and monitoring the Company's risk management policies.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Company's customer base, including the default risk of the industry and country, in which customers operate, has less of an influence on credit risk. There is no concentration of credit risk.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main component of this allowance is a specific loss component that relates to individually significant exposures.

Cash and cash equivalents are held with high-credit-quality financial institutions.

5 Financial risk management *(continued)*

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company ensures that it has sufficient cash on demand to meet expected operational expenses for a short term period, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Market risk comprise of currency risk and interest rate risk.

Interest rate risk
The Company does not have any deposits or borrowings and accordingly is not adversely affected by interest rate risks.

Currency risk
Currency risk is limited as the Company's transactions are primarily denominated in USD and AED. The stability of the rate of exchange of AED to USD has been maintained since 1980.

Price risk
Price risk relates to the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company does not have investments in securities and is not exposed to equity price risk.

Capital Risk Management
The Company defines capital as share capital, statutory reserve and retained earnings. The primary objective of the Company's capital management is to avoid permanent impairment of capital in order to provide returns for the shareholders. To maintain or adjust the capital structure, the Company may align the dividend payment to shareholders, return capital to shareholders, issue new shares, obtain new borrowings or sell assets to reduce borrowings. The overall objective remains unchanged during the year ended 30 September 2022. The Company has a combination of debt and equity to maintain a sound capital position to support the investment activities of the Company.

Activities are assessed based on their risk and rewards and can be financed through debt or equity. To date, debt has been utilised on a conservative basis so as to enhance returns to investors both in a tax efficient and risk adverse manner. Other than certain requirements of the UAE Federal Law No. (2) of 2015 (as amended), there were no externally imposed capital requirements which the Company must comply with.

6 Revenue

	2022 AED	2021 AED
Catering services	**10,036,584**	8,242,246
Manpower services	**2,377,321**	1,875,584
Fixed fee services	**75,129**	-
Food and beverage supplies revenue - back charge	**54,554**	110,512
Other revenue	**4,546**	-
	12,548,134	10,228,342

7 Cost of sales

	2022 AED	2021 AED
Staff costs	**5,372,588**	3,751,277
Costs of materials	**4,549,695**	4,188,530
Maintenance expenses	**416,249**	203,292
Other cost of sales	**163,702**	37,804
Transportation	**91,353**	23,740
Rent expenses	**76,198**	64,704
Depreciation of property and equipment	**20,023**	26,301
Depreciation of right-of-use assets	**16,125**	-
Insurance	**4,862**	5,140
Vehicle hire	**541**	-
License fees	**203**	-
Hire charges	**-**	3,550
Others	**7,916**	6,880
	10,719,455	8,311,218

8 Administrative expenses

	2022 AED	2021 AED
License fees	**20,414**	17,080
Rent expenses	**16,810**	17,640
Others	**28,273**	23,437
	65,497	58,157

9 Property and equipment

	Operating equipment AED	Furniture, fixtures and office equipment AED	Total AED
Cost			
At 1 October 2020	250,887	12,720	263,607
Additions	5,200	1,195	6,395
Transfers, net	-	3,975	3,975
At 1 October 2021	**256,087**	**17,890**	**273,977**
Additions	24,980	26,495	51,475
Transfers, net	69,306	13,046	82,352
Disposals	(17,500)	-	(17,500)
At 30 September 2022	**332,873**	**57,431**	**390,304**
Accumulated depreciation			
At 1 October 2020	226,879	8,640	235,519
Charge for the year	23,860	2,441	26,301
Transfers	-	1,327	1,327
At 1 October 2021	**250,739**	**12,408**	**263,147**
Charge for the year	13,279	6,744	20,023
Transfers	27,715	10,051	37,766
Disposals	(17,500)	-	(17,500)
At 30 September 2022	**274,233**	**29,203**	**303,436**
Net carrying amount			
At 30 September 2021	5,348	5,482	10,830
At 30 September 2022	**58,640**	**28,228**	**86,868**

10 Right-of-use assets

	AED
Cost	
At 1 October 2020	-
Additions	-
At 1 October 2021	-
Additions	161,320
At 30 September 2022	**161,320**
Accumulated depreciation	
At 1 October 2020	-
Charge for the year	-
At 1 October 2021	-
Charge for the year	16,125
At 30 September 2022	**16,125**
Net carrying amount	
At 30 September 2021	-
At 30 September 2022	**145,195**

11 Inventories

	2022 **AED**	2021 AED
Food supplies	**108,575**	50,263
Operating supplies	**100,017**	52,737
	208,592	103,000

12 Trade and other receivables

	2022 AED	2021 AED
Trade receivables	**4,703,512**	6,617,949
Provision for doubtful debts	**(246,448)**	(246,448)
Trade receivables	**4,457,064**	6,371,501
Prepayment	**176,647**	92,064
Accrued income	**611,082**	150,569
Other receivables	**7,909**	5,000
	5,252,702	6,619,134

The Company has adopted a policy of dealing with only creditworthy counterparties. Adequate credit assessment is made before accepting an order for provision of services from a counterparty. Out of the total trade receivables balance at the end of the year, AED 3,946,112 representing 84% of total trade receivables *(2021: AED 4,483,327 representing 68% of total trade receivables)* is due from three major customers. The Company considers these customers to be reputable and creditworthy.

Included in the Company's trade receivables balance are debtors with a carrying amount of AED 2,294,408 *(2021: AED 3,628,160)* which are past due at the end of the reporting period for which the Company has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Company does not hold any collateral over these balances.

Trade receivable ageing (gross):

	2022 AED	2021 AED
Not due	**2,162,656**	2,989,341
Due for 1 to 60 days	**613,734**	2,320,324
Due for 61 to 90 days	**251,362**	230,619
Due for 91 to 120 days	**229,493**	227,867
Due for 121 to 365 days	**1,385,436**	828,378
More than 365 days	**60,831**	21,420
	4,703,512	6,617,949

The movement in the allowance for doubtful receivables during the year was as follows:

	2022 AED	2021 AED
At 1 October	**246,448**	246,448
Impairment loss in trade receivables	**-**	-
At 30 September	**246,448**	246,448

13 Related party transactions and balances

Related parties comprise the Shareholders of the Company, the directors and those enterprises over which the Shareholders, the directors or the Company can exercise significant influence or which can significantly influence the Company. In the ordinary course of business, the Company receives goods and services from, and provides goods and services to, such enterprises on rates, terms and conditions agreed upon by management.

The volume of related party transactions, outstanding balances and related expenses and income for the year are as follows:

(a) Significant related party transactions

	2022 AED	2021 AED
Transfer of property and equipment, net *(note 9)*	**44,586**	2,648
Transfer of end of service benefits to a related party *(note 17)*	**(164,210)**	(99,272)

(b) Due to related parties

	2022 AED	2021 AED
Abu Dhabi National Hotels Company Compass Middle East LLC	**1,835,741**	3,097,766
Al Ghazal Transport Company	**24,092**	-
	1,859,833	3,097,766

Transactions with key management personnel

There are no key management personnel specifically assigned to the Company. There are a number of key management personnel in Abu Dhabi National Hotels Company Compass Middle East LLC (a fellow subsidiary) and their aggregate compensation is disclosed in the financial statements of this fellow subsidiary. Certain members of this fellow subsidiary are regarded as key management personnel of the Company but, as no proportion of their compensation is recharged to the Company, management considers that it would not be helpful to the user to disclose this amount in these financial statements.

14 Cash and cash equivalents

	2022 AED	2021 AED
Cash in hand	**26,060**	16,818

15 Share capital

	Number of Shares	2022 and 2021 AED
Authorised, issued and fully paid (par value AED 1,500 per share)	**100**	**150,000**

	Number of Shares	2022 and 2021 AED
Abu Dhabi National Hotels Company P.J.S.C	**51**	**76,500**
Compass Group International B.V Netherland	**49**	**73,500**
	100	**150,000**

All shares rank equally with regard to the Company's residual assets. Holder of these shares is entitled to dividends as declared from time to time and entitled to one vote per share at general meetings of the Company.

During the year ended 30 September 2022, the Company paid dividends of AED 1,858,967, at AED 18,590 per share, *(2021: AED 1,934,486, at AED 19,345 per share).*

16 Statutory reserve

In accordance with UAE Federal Law No. (2) of 2015 (as amended), 10% of profit for the period is to be transferred to a legal reserve which is non-distributable. Transfers to this reserve are required to be made until such time as it equals 50% of the paid-up share capital of the Company. The reserve is not available for distribution except in cases stipulated by the Federal Law and the Company's Articles of Association.

17 Provision for employees' end of service benefits

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

	2022 AED	2021 AED
As 1 October	-	-
Charge for the year	**164,210**	99,272
Transfers to related parties *(note 13)*	**(164,210)**	(99,272)
At 30 September	-	-

Some employees have been transferred to a related company and accordingly, the provision for end of service benefits for these employees was also transferred.

Abu Dhabi National Hotels Compass LLC

Notes to the financial statements

18 Trade and other payables

	2022 AED	2021 AED
Trade payables	**1,535,039**	1,136,070
Accrued expenses	**495,994**	481,373
Other payables	**369,235**	621,192
	2,400,268	2,238,635

The Company has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

19 Profit for the year

Profit for the year is stated after charging:

	2022 AED	2021 AED
Staff costs (note 7)	**5,372,588**	3,751,277
Depreciation of property and equipment	**20,023**	26,301

20 Lease liabilities

	2022 AED	2021 AED
Lease liabilities	**144,530**	-

The terms and conditions of outstanding lease liabilities are as follows:

	Currency	Nominal Interest rate	Year of Maturity	30 September 2022 AED	30 September 2021 AED
Lease liabilities	AED	2.69%-3.8%	2022-2028	**144,530**	-

During the year an amount of AED 16,790 *(2021: AED Nil)* was paid towards principal and AED 2,810 *(2021: AED Nil)* was paid towards interest *(Note 23).*

20 Lease liabilities *(continued)*

Lease liabilities is classified as follows:

	2022	2021
	AED	AED
Non-current portion	115,586	-
Current portion	28,944	-
	144,530	-

The contractual cash flows for these loans are as follows:

		Contractual cash flows			
	Carrying Value	Less than 1 Year	Between 1 - 5 years	Later than 5 Years	Total
	AED	AED	AED	AED	AED
30 September 2022					
Lease liabilities	144,530	28,976	115,713	-	144,689
30 September 2021					
Lease liabilities	-	-	-	-	-

21 Financial instruments

Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return on equity. The Company's overall strategy remains unchanged from 2018.

Credit risk

Exposure to credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has no significant credit risk as a result of dealing with third parties. Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central banks of the respective countries. Trade receivables have a credit of 45 - 60 days and there has been no history of default. Amount due from related parties are recoverable on demand as and when the Company needs funding.

Concentration of credit risk arise when a number of counter-parties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Company's performance to developments affecting a particular industry or geographic location. All balances with banks represent local commercial banks.

21 Financial instruments *(continued)*

***Credit risk** (continued)*

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Note	**2022 AED**	2021 AED
Trade and other receivables	*12*	**5,076,055**	6,527,070
		5,076,055	6,527,070

Liquidity risk

The maturity profile of financial liabilities at the end of the reporting period based on existing contractual repayment arrangements was as follows:

	Note	**Carrying Amount AED**	**Less than 1 year AED**	**1 to 5 years AED**
At 30 September 2022				
Due to related parties	*13*	**1,859,833**	**1,859,833**	-
Trade and other payables	*18*	**2,400,268**	**2,400,268**	-
		4,260,101	**4,260,101**	-
At 30 September 2021				
Due to a related party	*13*	3,097,766	3,097,766	-
Trade and other payables	*18*	2,238,635	2,238,635	-
		5,336,401	5,336,401	-

The amounts are gross and undiscounted and include estimated interest payments.

Market risk

Interest rate risk
Interest rate risk arises from the possibility that changes in interest rates will affect the net interest income of the Company. The Company is not exposed to cash flow or fair value interest rate risk.

Currency risk
The Company's transactions are primarily carried out in USD or AED. The stability of rate of exchange of the AED to the USD has been maintained since 1980. There have been no foreign currencies transactions.

21 Financial instruments *(continued)*

Fair value of financial assets and liabilities
The Company measures all its financial assets and financial liabilities at amortised cost. Management considers that the fair values of financial assets and financial liabilities approximate their carrying values as stated in the consolidated financial statements. When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

22 Accounting estimates and judgements

In the process of applying the Company's accounting policies, which are described in note 3, management makes judgements that has the most significant effect on the amounts of assets and liabilities recognised in the financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Impairment on receivables
The Company reviews its receivables to assess impairment at least on an annual basis. An estimate of the collectible amount of trade and other receivables is made when collection of the full amount is no longer probable. This determination of whether the receivables are impaired, entails Management evaluating, the specific credit and liquidity position of the customers and related parties and their historical recovery rates, including review of current economic environment. The difference between the estimated collectible amount and the recorded amount is recognised as an expense in profit or loss. Any difference between the amounts expected and the amounts actually collected in the future periods is recognised in profit or loss at the time of collection. Impairment of trade and other receivables at 30 September 2022 AED 246,448 *(2021: AED 246,448)*.

Useful lives of property and equipment
Management assigns useful lives and residual values to the items of property and equipment based on the intended use of the assets and the expected economic lives of those assets. Subsequent changes in circumstances such as technological advances or prospective utilisation of the assets concerned could result in the actual useful lives or residual values differing from the initial estimates. Management has reviewed the residual values and useful lives of the major items of property and equipment and have determined that no adjustment is necessary.

22 Accounting estimates and judgements *(continued)*

Impairment of property and equipment
Property and equipment are assessed for impairment based on assessment of cash flows on individual cash generating units when there is indication of impairment. Cash flows are determined based on contractual agreements and estimations over the useful life of the assets and discounted using a range of discounting rates representing the rate of return on such cash generating units. The net present values are compared to the carrying amounts to assess any probable impairment. Impairment of property and equipment is AED Nil as at 30 September 2022 *(2021: AED Nil)*.

Impairment on inventory obsolescence
Inventories are stated net of allowance for obsolescence. Management has considered the allowance required for inventory obsolescence based on the current economic environment and past obsolescence history. Management believes that no impairment is required as of 30 September 2022 and 2021.

23 Leases

- *Leases in which the Company is a lessee*

Information about leases for which the Company is a lessee is presented below.

(a) *Right of use assets*

Refer to note 10 for movement in right-of-use assets during the year ended 30 September 2022.

(b) *Amounts recognised in statement of profit or loss*

	2022	2021
	AED	AED
Depreciation of right-of-use assets	**16,125**	-
Interest on lease liabilities	**2,810**	-

(c) *Amounts recognised in statement of cash flows*

	2022	2021
	AED	AED
Total cash outflow for leases	**19,600**	-

- *Leases in which the Company is a lessor*

The Company does not have any leases in the capacity of lessor.

24 Date of authorisation for issue

The financial statements were approved and authorised for issue by the Board of Directors in its meeting held on 15 DEC 2022

A D N H Catering Limited

Review report and condensed consolidated interim financial information for the nine-month period ended 30 June 2024 (Unaudited)

A D N H Catering Limited

Review report and condensed consolidated interim financial information for the nine-month period ended 30 June 2024 (Unaudited)

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Review report on condensed consolidated interim financial information to the board of directors of A D N H Catering Limited

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of A D N H Catering Limited (the "Company") and its subsidiaries (the 'Group') as at 30 June 2024 and the related condensed consolidated interim statements of profit and loss, comprehensive income, changes in equity and cash flows for the nine-month period (the “Period”) then ended, and other explanatory notes. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with the International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34"). Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of interim financial information performed by the independent auditor of the entity'. A review of interim condensed consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 “Interim Financial Reporting.”

Emphasis of matter

The condensed consolidated interim financial information is special purpose as it has been prepared by management in connection with the listing of the Company on the Abu Dhabi Stock Exchange in the United Arab Emirates. As a result, this special purpose condensed consolidated interim financial information may not be suitable for another purpose. Our conclusion is not modified in respect of this matter.

PricewaterhouseCoopers Limited Partnership (ADGM Branch), ADGM License no. 000000256
Al Khatem Tower, Abu Dhabi Global Market, 25th Floor, PO Box 45263
Abu Dhabi - United Arab Emirates
Tel: +971 2 694 6800, fax: +971 2 6456610
www.pwc.com/me

Review report on condensed consolidated interim financial information to the board of directors of A D N H Catering Limited (continued)

Other matter

The comparative information for the condensed consolidated interim statement of financial position as at 30 September 2023 has not been audited or reviewed, further the comparative information for the condensed consolidated interim statements of profit and loss, comprehensive income, changes in equity and cash flows for the nine-month period ended 30 June 2023 has not been audited or reviewed.

PricewaterhouseCoopers Limited Partnership (ADGM Branch)

19 August 2024

……………………………………
Nizar Jichi
Abu Dhabi, United Arab Emirates

A D N H Catering Limited

Condensed consolidated interim statement of financial position

	Note	30 June 2024 AED (Unaudited)	30 September 2023 AED (Unaudited and not reviewed)
		As at	
ASSETS			
Non-current assets			
Property and equipment	5	16,486,578	14,958,362
Right-of-use assets	6	77,895,920	86,656,545
Intangible assets	7	285,783,488	285,534
Investment in a joint venture	8	9,717,881	-
Total non-current assets		389,883,867	101,900,441
Current assets			
Inventories	9	9,846,723	6,819,045
Trade and other receivables	10	638,981,030	567,478,224
Due from related parties	11	5,117,405	27,041,715
Cash and bank balances	12	110,863,088	165,697,328
Total current assets		764,808,246	767,036,312
Total assets		1,154,692,113	868,936,753
EQUITY AND LIABILITIES			
EQUITY			
Share capital	13	225,000,000	-
Statutory reserve	14	10,000,000	10,000,000
Capital contribution	21	142,354,198	20,000,000
Other reserves		372,769	-
Retained earnings		101,866,752	212,421,946
Total equity		479,593,719	242,421,946
LIABILITIES			
Non-current liabilities			
Lease liabilities	16	32,851,093	47,584,568
Deferred tax liabilities	22	17,773,743	-
Provision for employees' end of service benefits	15	115,381,077	110,130,739
Total non-current liabilities		166,005,913	157,715,307
Current liabilities			
Trade and other payables	17	436,634,116	415,234,941
Income tax provision		10,909,927	-
Due to related parties	11	23,401,250	23,177,917
Lease liabilities	16	38,147,188	30,386,642
Total current liabilities		509,092,481	468,799,500
Total liabilities		675,098,394	626,514,807
Total equity and liabilities		1,154,692,113	868,936,753

To the best of our knowledge, the condensed consolidated interim financial information is prepared, in all material respects, in accordance with IAS 34.

……………………………….. ………………… …………

Sheikh Ahmed Mohammed Sultan Suroor Aldhahiri
Director

Khalid Anib
Director

Clive William Cowley
Chief Executive Officer – Middle East

A D N H Catering Limited

Condensed consolidated interim statement of profit or loss

	Note	Nine-month period ended 30 June 2024 AED (Unaudited)	2023 AED (Unaudited and not reviewed)
Revenues	18	1,041,896,559	1,096,756,790
Direct costs	19	(881,325,789)	(901,444,814)
Gross profit		160,570,770	195,311,976
General and administrative expenses	20	(50,734,435)	(55,357,839)
Reversal for impairment of financial assets		-	(7,074)
Other income, net		188,560	625,651
Operating profit		110,024,895	140,572,714
Finance income	12	2,862,956	1,213,049
Finance costs	16	(1,930,171)	(2,112,523)
Finance costs, net		932,785	(899,474)
Profit for the period before tax		110,957,680	139,673,240
Income tax expense	22	(10,077,148)	-
Profit for the period		100,880,532	139,673,240
Profit attributable to:			
Equity holders of the Parent		100,880,532	139,673,240
Basic and diluted earnings per share attributable to the ordinary equity holders of the Parent (AED)	23	0.045	-

The notes on pages 8 to 59 are an integral part of this condensed consolidated interim financial information.

A D N H Catering Limited

Condensed consolidated interim statement of comprehensive income

	Note	Nine-month period ended 30 June 2024 AED (Unaudited)	2023 AED (Unaudited and not reviewed)
Profit for the period		100,880,532	139,673,240
Other comprehensive income			
Item that may not be reclassified subsequently to profit or loss:			
Actuarial gain on employees' end of service benefits	15	372,769	-
Total other comprehensive income for the period		372,769	-
Total comprehensive income for the period attributable to:			
Equity holders of the Parent		101,253,301	139,673,240

The notes on pages 8 to 59 are an integral part of this condensed consolidated interim financial information.

A D N H Catering Limited

Condensed consolidated interim statement of changes in equity

	Share capital AED	Statutory reserve AED	Capital contribution AED	Other reserves AED	Retained earnings AED	Total AED
At 1 October 2022 (Unaudited and not reviewed)	-	10,000,000	20,000,000	-	215,337,048	245,337,048
Total comprehensive income for the period	-	-	-	-	139,673,240	139,673,240
Transactions with the owner in its capacity as owner:						
Dividends (Note 13)	-	-	-	-	(214,350,828)	(214,350,828)
At 30 June 2023 (Unaudited and not reviewed)	-	10,000,000	20,000,000	-	140,659,460	170,659,460
At 1 October 2023 (Unaudited and not reviewed)	-	10,000,000	20,000,000	-	212,421,946	242,421,946
Profit for the period	-	-	-	-	100,880,532	100,880,532
Other comprehensive income for the period	-	-	-	372,769	-	372,769
Total comprehensive income for the period	-	-	-	372,769	100,880,532	101,253,301
Transactions with the owner in its capacity as owner:						
Share capital issuance (Notes 13)	3,673	-	-	-	-	3,673
Business combination of entities under common control (Notes 1, 21)	-	-	276,088,627	-	-	276,088,627
Acquisition of a joint venture from the Parent (Notes 1, 8)	-	-	9,708,096	-	-	9,708,096
Increase in share capital (Note 13)	224,996,327	-	(224,996,327)	-	-	-
Dividends (Note 13)	-	-	-	-	(211,435,726)	(211,435,726)
Capital contribution (Note 13)	-	-	61,553,802	-	-	61,553,802
At 30 June 2024 (Unaudited)	225,000,000	10,000,000	142,354,198	372,769	101,866,752	479,593,719

The notes on pages 8 to 59 are an integral part of this condensed consolidated interim financial information.

Condensed consolidated interim statement of cash flows

	Note	Nine-month period ended 30 June 2024 AED (Unaudited)	2023 AED (Unaudited and not reviewed)
Cash flows from operating activities			
Profit for the period before tax		110,957,680	139,673,240
Adjustments for:			
Depreciation of property and equipment	5	9,478,787	6,249,322
Depreciation of right-of-use assets	6	25,919,084	23,312,418
Amortisation of intangible assets	7	2,573,637	68,784
Provision for impairment of slow-moving inventories		1,136,994	2,207,600
(Gain)/loss on disposal of property and equipment		(168,382)	1,461,505
Provision for employees' end of service benefits	15	15,736,663	15,362,375
Finance income		(2,862,956)	(1,213,049)
Finance costs	16	1,930,171	2,112,523
Operating cash flows before payment of employees' end of service benefits and changes in working capital		164,701,678	189,234,718
Employees' end of service benefits paid	15	(11,788,465)	(13,585,443)
Changes in working capital:			
Inventories		(1,779,575)	5,134,342
Trade and other receivables		54,459,804	(72,038,654)
Due from related parties		21,900,416	(10,636,212)
Trade and other payables		(63,396,725)	(58,927,757)
Due to related parties		(41,066,946)	(5,365,372)
Net cash generated from operating activities		123,030,187	33,815,622
Cash flows from investing activities			
Purchase of property and equipment	5	(5,607,720)	(7,420,059)
Proceeds from disposal of property and equipment		374,515	-
Business combination of entities under common control	21	455,837	-
Acquisition of a joint venture		(9,785)	-
Interest received		2,862,956	1,213,049
Net cash used in investing activities		(1,924,197)	(6,207,010)
Cash flows from financing activities			
Dividends paid	13	(149,881,924)	-
Interest paid	16	(1,930,171)	(2,112,523)
Principal elements of lease payments	16	(24,128,135)	(23,080,553)
Net cash used in financing activities		(175,940,230)	(25,193,076)
Net change in cash and cash equivalents		(54,834,240)	2,415,536
Cash and cash equivalents at the beginning of the period		165,697,328	317,535,458
Cash and cash equivalents at the end of the period	12	110,863,088	319,950,994

The non-cash transactions have been disclosed in Note 29 to the condensed consolidated interim financial information.

The notes on pages 8 to 59 are an integral part of this condensed consolidated interim financial information.

1 General information

A D N H Catering Limited (the “Company” or “ADNH Catering Limited” or “ListCo”) is a private company limited by shares incorporated on 22 June 2024 under the laws of Abu Dhabi Global Market (“ADGM”), registered under the commercial license number 19524. The registered address of the Company is 2323L, 23rd Floor, Sky Towers, Shams Abu Dhabi, Al Reem Island, Abu Dhabi, United Arab Emirates (“UAE”).

ListCo is a wholly owned subsidiary of Abu Dhabi National Hotels Company PJSC (“Parent”, or “ADNH PJSC” or “the Ultimate Controlling Company”), a public shareholding company listed on the Abu Dhabi Securities Exchange, which was incorporated in Abu Dhabi, UAE on 13 April 1975 by Law No. (3) as amended by Law No. (5) of 1978, to own and manage hotels and to undertake other related business.

This special purpose condensed consolidated interim financial information of the Company and its subsidiaries (collectively referred to as the “Group”) is prepared by the management to be included in the Company’s initial public offering application to be filed with the Securities and Commodities Authority (“SCA”) of UAE. The condensed consolidated interim financial information does not include all information and disclosures required in the annual consolidated financial statements prepared in accordance with IFRS Accounting Standards. As such, the comparative financial information for the nine-month period ended 30 June 2023 is not audited or reviewed and is presented for comparative purposes only. The Company’s first statutory consolidated financial statements will be prepared for the fifteen-month period ended 31 December 2024 as the Company changed its financial year to 1 January to 31 December (from 1 October to 30 September). In addition, results for the nine-month period ended 30 June 2024 are not necessarily indicative of the results of the fifteen-month period ending 31 December 2024.

The average number of employees during the period ended 30 June 2024 was 18,591 (30 June 2023: 17,867).

As of 30 June 2024, the following transactions were completed between ADNH PJSC and ADNH Catering LLC OPC (“ADNHC Abu Dhabi”) previously known as Abu Dhabi National Hotels Compass Middle East LLC in regard to ADNH Catering L.L.C. (“ADNHC Dubai") previously known as Abu Dhabi National Hotels Compass Emirates LLC and ADNH Compass L.L.C. SP (“ADNHC Sharjah”) (collectively “ADNHC Entities”):

- On 31 March 2024, the Parent increased its equity interests in ADNHC Abu Dhabi, ADNHC Dubai and ADNHC Sharjah from 51% to 100% in each of these entities.
- On 11 June 2024 and 26 June 2024, the Parent transferred 100% equity interest in ADNHC Dubai and ADNHC Sharjah entities, respectively, to ADNHC Abu Dhabi for a total consideration of AED 20,000 each, with transaction close date of 30 June 2024 (Note 21);
- On 28 June 2024, the Parent entered into a share transfer agreement to transfer its 30% equity interest in Compass Arabia Co Ltd (“KSA JV”), that was accounted for as an equity-accounted joint venture, to ADNHC Abu Dhabi, with transaction close date of 30 June 2024 (Note 8); and
- On 30 June 2024, the Parent transferred its 100% equity interest in ADNHC Abu Dhabi to the Company (the “Reorganisation”).

1 General information (continued)

The principal activity of the Company is to act as a holding company for the entities within the Group. The principal activities of the subsidiaries are to provide catering, cleaning and other services to hospitals, camps, onshore and offshore oilfields, defence/military, airports, shopping malls, universities and schools, palaces and other facilities, including supervising and managing hotels on behalf of other parties.

The condensed consolidated interim financial information was authorized and approved by the Board of Directors for issuance on 19 August 2024.

2 Application of new and revised IFRS Accounting Standards

New and revised IFRS Accounting Standards applied with no material effect on the condensed consolidated interim financial information

The following new and revised IFRS Accounting Standards, which became effective for annual periods beginning on or after 1 October 2023 have been adopted in this condensed consolidated interim financial information. The application of these revised IFRS Accounting Standards and interpretations have not had any material impact on the amounts reported for the current and prior periods but may affect the accounting for future transactions or arrangements.

(a) Presentation of financial statements' on classification of liabilities – Amendments to IAS 1 (effective 1 January 2024);
(b) Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2 (effective 1 January 2024);
(c) Non-current Liabilities with Covenants – Amendments to IAS 1 (effective 1 January 2024);
(d) Supplier finance arrangements – Amendments to IAS 7 and IFRS 7 (effective 1 January 2024);
(e) Sale or contribution of assets between an investor and its associate or joint venture – Amendments to IFRS 10 and IAS 28 (effective 1 January 2024).
(f) Presentation and Disclosure in Financial Statements – New standard IFRS 18 (effective 1 January 2027); and
(g) Subsidiaries without Public Accountability: Disclosures – New standard IFRS 19 (effective 1 January 2027).

3 Material accounting policies

The material accounting policies applied in the preparation of these condensed consolidated interim financial information are set out below.

3.1 Basis of preparation

The condensed consolidated interim financial information has been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34") and also comply with the applicable requirements of the laws in the UAE.

3 Material accounting policies (continued)

3.1 Basis of preparation (continued)

The condensed consolidated interim financial information has been prepared in UAE Dirhams ("AED"), which is the functional and presentation currency of the Company. The Company has utilised the exemption from ADGM in order to prepare their condensed consolidated interim financial information in AED instead of US Dollar. The condensed consolidated interim financial information has been prepared using the historical cost basis.

Going concern

The management have, at the time of approving the condensed consolidated interim financial information, made a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, management continues to adopt the going concern basis of accounting in preparing the condensed consolidated interim financial information.

Group reorganisation

The Reorganisation as discussed in Note 1 is a common control transaction as ADNHC Abu Dhabi and the Company, are controlled by ADNH PJSC both before and after the Reorganisation. As such, this Group reorganisation has no economic substance and accordingly, the condensed consolidated interim financial information of the Group is prepared on the basis that the reorganisation is in substance a continuation of ADNHC Abu Dhabi combined under the Group. Considering that the Company was established on 21 June 2024 and therefore share capital was nil for 1 October 2023 and 1 October 2022, it is not meaningful to present share capital or an analysis of reserve or components of other comprehensive income, other than retained earnings, statutory reserves and other reserve which are separately identifiable for 1 October 2023 and 1 October 2022.

3.2 Business combinations under common control

ADNHC Abu Dhabi's acquisition of ADNHC Dubai and ADNHC Sharjah is a common control transaction as these entities will continue to be controlled by ADNH PJSC both before and after the business combination. Considering that these acquisitions are considered to be outside the scope of IFRS 3 "Business Combinations", Management has chosen the pooling of interest method of accounting for these transactions. The pooling of interest method is considered to involve the combining parties being presented as if they had always been combined. To this effect, the Group will account for the acquisitions from the beginning of the period in which the combination occurs (i.e., from the date when these entities were under the common control of ADNH PJSC).

The acquisitions are accounted for using the pooling of interest method as follows:

- Assets and liabilities of the subsidiaries acquired, are reflected at their carrying amounts and no adjustments are made to reflect fair values, or recognise any new assets or liabilities, at the date of the acquisition that would otherwise be done under the acquisition method;
- No goodwill is recognised as a result of the acquisitions, except to the extent that existing goodwill was previously recognised in the combining entities.

3 Material accounting policies (continued)

3.2 Business combinations under common control (continued)

- The difference between the consideration transferred and the equity of the entities acquired as at the date of the acquisition is reflected within equity as 'Capital contribution';
- The statement of profit or loss and retained earnings reflect the results of the subsidiaries starting from the date when these entities were under common control of the Parent;
- The Group adopted an accounting policy to report the comparative information as if the Group always owned the businesses acquired under common control from the date when such businesses were part of the Group.

The condensed consolidated interim financial information does not include all of the information required for full annual consolidated financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance. In addition, results for the nine-month ended 30 June 2024 are not necessarily indicative of the results that may be expected for the fifteen-month period ending 31 December 2024.

3.3 Basis of consolidation

The condensed consolidated interim financial information incorporate the condensed consolidated financial information of the Company, including its subsidiaries as of 30 June.

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

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

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

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

3 Material accounting policies (continued)

3.3 Basis of consolidation (continued)

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

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the Parent of the Group and to the non-controlling interests (if any), even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

When a business combination is achieved in stages, the Group's previously held interests (including joint operations) in the acquired entity are remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

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

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

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between:

(i) The aggregate of the fair value of the consideration received and the fair value of any retained interest; and
(ii) The previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests.

3 Material accounting policies (continued)

3.3 Basis of consolidation (continued)

Below is the list of subsidiaries of the Group:

Name of subsidiary	Area of domicile	Principal activities	Ownership interest 30 June 2024	30 September 2023
ADNH Catering LLC OPC	UAE	Catering & contract services	**100%**	-
ADNH Catering LLC	UAE	Catering	**100%**	-
ADNH Compass LLC SP	UAE	Catering	**100%**	-

3.4 Investment in joint ventures

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

The considerations made in determining joint control are similar to those necessary to determine control over subsidiaries. The Entities' investment in its joint ventures are accounted for using the equity method.

When the Group receives investment in joint ventures from other entities under common control where such transfers reflect transactions with owners in their capacity as owners, on initial recognition, these investments are accounted at their respective carrying amounts as recorded in the transferor's financial statements. The difference between consideration paid and the carrying amount is reflected as 'Capital contribution' within equity.

Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Groups' share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

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

The aggregate of the Group' share of profit or loss of a joint venture is shown on the face of condensed consolidated interim the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries, (if any), of the joint venture.

3 Material accounting policies (continued)

3.4 Investment in joint ventures (continued)

The financial statements of the joint venture are prepared for the same reporting period as the Entities. When necessary, adjustments are made to bring the accounting policies in line with those of the Group. After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss within 'Share of profit of a joint venture' in the condensed consolidated interim statement of profit or loss.

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

3.5 Income taxes

Income taxes have been provided for in the condensed consolidated interim financial information in accordance with legislation enacted or substantively enacted by the end of the reporting period. The income tax charge comprises current tax and deferred tax and is recognised in profit or loss for the period, except if it is recognised in other comprehensive income or directly in equity because it relates to transactions that are also recognised, in the same or a different period, in other comprehensive income or directly in equity.

Taxable profits or losses are based on estimates if the condensed consolidated interim financial information are authorised prior to filing relevant tax returns. Taxes other than on income are recorded within operating expenses.

Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income. Current income tax relating to items recognised in the condensed consolidated interim statement of profit or loss.

3 Material accounting policies (continued)

3.5 Income taxes (continued)

Deferred tax

Deferred income tax is provided using the balance sheet liability method for tax loss carry forwards and temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. In accordance with the initial recognition exemption, deferred taxes are not recorded for temporary differences on initial recognition of an asset or a liability in a transaction other than a business combination if the transaction, when initially recorded, affects neither accounting nor taxable profit and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences. Deferred tax liabilities are not recorded for temporary differences on initial recognition of goodwill, and subsequently for goodwill which is not deductible for tax purposes. Deferred taxes are recorded on temporary differences arising after initial recognition of goodwill, including those arising on initial introduction of the tax law in the UAE. Deferred tax balances are measured at tax rates enacted or substantively enacted at the end of the reporting period, which are expected to apply to the period when the temporary differences will reverse or the tax loss carry forwards will be utilised.

Deferred tax assets for deductible temporary differences and tax loss carry forwards are recorded only to the extent that it is probable that the temporary difference will reverse in the future and there is sufficient future taxable profit available against which the deductions can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The Group controls the reversal of temporary differences relating to taxes chargeable on dividends from subsidiaries or on gains upon their disposal. The Group does not recognise deferred tax liabilities on such temporary differences except to the extent that management expects the temporary differences to reverse in the foreseeable future.

3.6 Revenue

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. Under IFRS 15, revenue is measured based on the consideration specified in a contract with a customer and excludes amount collected on behalf of third parties. The Group recognises revenue from contracts with customers based on the five step model set out in IFRS 15:

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

3 Material accounting policies (continued)

3.6 Revenue (continued)

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

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

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

Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation. The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

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

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

The Group recognises revenue from the following major sources:

- Sale of goods
- Rendering of services

The Group recognises revenue when it transfers control over product or service to a customer. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the Group; and when specific criteria have been met as described below:

i. ***Sale of goods***

Sale of goods corresponds to the revenues received from catering services. The services rendered (including food and beverage sales and other ancillary services) to the customers are representative of their stand-alone selling prices. These obligations are fulfilled at a point in time, when they have been delivered.

3 Material accounting policies (continued)

3.6 Revenue (continued)

i. Sale of goods (continued)

If the Group acts in the capacity of an agent rather than as the principal in a transaction, then the revenue recognised is the net amount of costs made by the Group.

ii. Rendering of services

Income from manpower services, laundry services and other services are recognised in the accounting period when the related services have been performed and accepted by the customers and there are no significant uncertainties regarding recovery of the consideration due, associated costs or the rejection of the services provided. Revenue is stated net of discounts and returns. The revenue from rendering of services is recognised overtime using input method on the basis of Group's efforts to the satisfaction of a performance obligation in accounting for its services. Management considers that this input method is an appropriate measure of the progress towards complete satisfaction of the performance obligations under IFRS 15.

If the Group acts in the capacity of an agent rather than as the principal in a transaction, then the revenue recognised is the net amount of costs made by the Group.

3.7 Property and equipment

Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Historical cost includes expenditures that are directly attributable to the acquisition of the asset.

Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance is expensed as incurred.

Depreciation

Items of property and equipment are depreciated on a straight-line basis in condensed consolidated interim statement of profit or loss and other comprehensive income over the estimated useful lives of each component.

3 Material accounting policies (continued)

3.7 Property and equipment (continued)

Depreciation (continued)

The estimated useful lives for the current and comparative periods are as follows:

	Years
Leasehold improvements	5 to 10
Operating equipment	3 to 5
Furniture, fixtures and office equipment	3 to 4
Motor vehicles	3 to 4

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

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss and other comprehensive income.

3.8 Intangible assets

Intangible assets are reported at cost less accumulated amortisation and impairment losses. Amortisation is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at each reporting date, with the effect of any changes in estimate being accounted for on a prospective basis. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from use. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

The estimated useful lives for the current and comparative periods are as follows:

	Years
Customer relationships	20
Software	3

3.9 Capital work-in-progress

Capital work-in-progress is stated at cost. All costs directly attributable to bringing the asset to the location and condition necessary for it to be used in the manner intended by management are included in the construction cost. No depreciation is charged on such assets until available for use. When commissioned, capital work-in-progress is transferred to the appropriate property and equipment asset category and depreciated in accordance with the Group’s policies.

3 Material accounting policies (continued)

3.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and those overheads that have been incurred in bringing the inventories to their present location and condition and is calculated using the weighted average costing method. Net realisable value represents the estimated selling price less all estimated costs to be incurred in marketing, selling and distribution.

3.11 Trade and other receivables

Trade receivables are amounts due from customers for services performed or goods sold in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

The carrying amount of the asset is reduced through the use of a provision account, and the amount of the loss is recognised in the condensed consolidated interim statement of comprehensive income. When a receivable balance is uncollectible, it is written off against the provision for impairment of receivables. Subsequent recoveries of amounts previously written off are credited in the profit and loss. The Group applies IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for receivables.

3.12 Contract assets

Contract asset is recognised when a performance obligation is satisfied and revenue has been recognised, but the payment remains conditional on the Group’s future performance. The Group can only invoice the customer after satisfying additional performance obligations within the same contract. Upon completion of the performance obligation, the amount recognised as contract assets is reclassified to trade receivables. Contract assets are subject to impairment assessment.

3.13 Cash and cash equivalents

In the condensed consolidated interim statement of financial position, cash and bank balances comprise cash (i.e. cash at bank and cash equivalents). Cash equivalents are short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather for investment or other purposes.

For the purposes of the condensed consolidated interim statement of cash flows, cash and cash equivalents consist of cash in hand and at bank as defined above.

3 Material accounting policies (continued)

3.14 Share capital

Share capital represents the nominal (par) value of shares that have been issued to the shareholder. The Company may issue shares up to its authorised share capital. Each share has a nominal (par) value of AED 0.1 (equivalent to USD 0.027). The Company may issue 1 share against each capital contribution (regardless of the amount contributed) or it may also elect to issue one share against multiple contributions received by the Company during a given reporting period.

3.15 Dividends paid to shareholder

The Group recognises a liability to make cash distributions to the shareholder when the distribution is authorised. As per the laws and regulation applicable in UAE, a distribution is authorised when it is approved by the shareholder. A corresponding amount is recognised directly in equity.

3.16 Employee benefits

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The liability recognised in the condensed consolidated interim financial information in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period together with adjustments for unrecognised past-service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. Past-service costs are recognised immediately in condensed consolidated interim statement of profit or loss.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognised immediately in condensed consolidated interim statement of profit and loss and comprehensive income. Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred), as well as the effects of changes in actuarial assumptions.

With respect to UAE nationals employed by the Group, the Group makes contributions to the relevant UAE Government pension scheme calculated as a percentage of the employees' salaries. The obligations under these schemes are limited to these contributions, which are expensed when due.

3 Material accounting policies (continued)

3.17 Leases

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

As a lessee

At the commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components (if any) and will instead account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

3 Material accounting policies (continued)

3.17 Leases (continued)

As a lessee (continued)

- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents 'right-of-use assets' and 'lease liabilities' as separate line items in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.18 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

3.19 Provisions and contingent liabilities

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

3 Material accounting policies (continued)

3.19 Provisions and contingent liabilities (continued)

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

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

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.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and expected net cost of continuing with the contract, which is determined based on incremental costs necessary to fulfil the obligation under the contract. Before a provision is established, the Group recognises an impairment loss on the assets associated with that contract.

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

Contingent liabilities are possible obligations that arise from past events whose existence will be confirmed only by the occurrence, or non-occurrence, of one or more uncertain future events not wholly within the Group's control; or are present obligations that have arisen from past events but are not recognised because it is not probable that settlement will require outflow of economic benefits, or because the amount of the obligations cannot be reliably measured.

Contingent liabilities are not recognised in the condensed consolidated interim financial information but are disclosed in the notes to the condensed consolidated interim financial information, unless they are remote.

3.20 Foreign currencies

(a) Functional and presentation currency

Items included in the condensed consolidated interim financial information of the Group are measured using the currency of the primary economic environment in which the Group operates (the "functional currency"). The condensed consolidated interim financial information are presented in UAE Dirham (AED), which is the Group's functional and presentation currency.

3 Material accounting policies (continued)

3.20 Foreign currencies (continued)

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the condensed consolidated interim statement of comprehensive income.

3.21 Financial instruments

Financial assets

(a) Initial recognition and measurement

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

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

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

(b) Subsequent measurement

Financial assets are subsequently measured at amortised cost (debt instruments, cash and cash equivalents and trade receivables).

The Group has the following financial assets:

Cash and cash equivalents

Cash and cash equivalents which include cash on hand and deposits held at call with banks with original maturities of three months or less, are classified as financial assets at amortised cost.

3 Material accounting policies (continued)

3.21 Financial instruments (continued)

Financial assets (continued)

(c) Financial assets at amortised cost

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

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

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified, or impaired.

(d) Impairment of financial assets

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

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

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

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

3 Material accounting policies (continued)

3.21 Financial instruments (continued)

Financial assets (continued)

(e) Derecognition of financial assets

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

Financial liabilities and equity instruments

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

(a) Equity instruments

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

(b) Financial liabilities

Trade and other payables are classified as 'financial liabilities' and are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis, except for short term liabilities when the recognition of interest is immaterial.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

(c) Derecognition of financial liabilities

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

3 Material accounting policies (continued)

3.21 Financial instruments (continued)

Offsetting of financial instruments

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

Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in the condensed consolidated interim statement of profit or loss and comprehensive income. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.22 Goodwill

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

3 Material accounting policies (continued)

3.22 Goodwill (continued)

If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

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

3.23 Segment reporting

The Chief Executive Officer (CEO) is the Chief Operating Decision Maker (CODM) and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the condensed consolidated interim financial information. Operating segments are reported in a manner consistent with the internal reporting provided to the CEO.

3.24 Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

3 Material accounting policies (continued)

3.24 Current versus non-current classification (continued)

The Group classifies all other liabilities as non-current.

4 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the condensed consolidated interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation and uncertainty are as follows:

4.1 Critical judgements

(a) Transactions involving entities under common control

Transactions involving entities under common control where the transaction has substance are accounted for using the acquisition method. For transactions involving entities under common control where the transaction does not have substance, the Group adopts the pooling of interest method. Under the pooling of interest method, the carrying value of assets and liabilities in the books of the transferor (as adjusted to comply with Group accounting policies), are used to account for these transactions. No goodwill is recognised as a result of the transfer. The only goodwill recognised is any existing goodwill relating to either of the combining entities. The difference between the consideration paid and the net assets acquired is reflected as 'Capital contribution' within equity. The transfer between ADNH to A D N H Catering L.L.C – O.P.C is considered a transaction under common control.

A number of factors are considered in assessing whether the transaction has substance including the following:

- the purpose of the transaction;
- the involvement of outside parties in the transaction, such as non-controlling interests or other third parties;
- whether or not the transaction is conducted at fair value;
- the existing activities of the entities involved in the transaction; and
- whether or not the transaction brings entities together into a 'reporting entity' that did not exist before.

The transfer between ADNH to ADNH Catering Limited is considered a re-organization, since the Company has no substance.

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

4.1 Critical judgements (continued)

(b) Principal versus agent consideration

The Group's performance obligation is to arrange for the specified goods or services to the customer, in some cases, where the Group does not control the specified goods or services before those goods or services are transferred to the customer. When the Group satisfies a performance obligation, the Group recognises revenue which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party. The Group's primary obligation is to arrange for specific goods or services for catering, and accordingly, acts as agent on those specified goods or services since:

- the Group does not control the specified goods or services provided by other parties before the goods or services are transferred to the customer. For all the goods imported, the customer is mentioned in the bill of lading thus confirming the goods are restricted to that end customer;
- primary responsibility for the fulfilling the promise does not rest with the Group;
- the Group does not bear any inventory risk since the ownership of the infrastructure, as set out in the contracts;
- the Group does not have the price risk on the contracts;
- customers retain the right to remove the Group to provide goods or services based on its convenience without default from the Group.

(c) Inventories

The Group has engaged Seven Seas Storage Management, a third-party logistics service provider, for warehousing and delivery management services. As per the terms of the agreement legal tittle in the goods at all times vests with Seven Seas until the goods are handed over to the Group at the delivery point. Seven seas can set a price with ultimate vendors and has the right to hold/sell the inventory to any other party. Seven Seas has also taken out and maintained insurance policies at its expense during the term of this agreement. Management has reviewed the detailed criteria under IAS 2 "*Inventories*", the definition of an asset under the Framework and the terms of the agreement with Seven Seas Storage Management and is satisfied that the cost of inventories held at the Seven Seas Storage Management's warehouse at year end should not be recorded in the condensed consolidated interim financial information.

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

4.1 Critical judgements (continued)

(d) Revenue on expired contracts

The Group is in the process of renewing certain contracts which have expired as at the end of the reporting period. The Group has reviewed the detailed criteria under IFRS 15 "Revenue from contracts with customers" and is satisfied that it is appropriate to recognise revenue for such cases on the basis of signed meal sheets and man days in addition to other relevant documentary / ongoing negotiations. Management expects formal approval of these contracts to be highly probable.

4.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below. The Group based its assumptions and estimates on parameters available when the condensed consolidated interim financial information was prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Impairment of trade receivables

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for trade receivables.

The loss allowance for trade receivables is based on assumptions about risk of default and expected loss rates. Management uses judgement in making these assumptions and selecting the inputs to the impairment calculation which are applied to the exposure at default to arrive at the expected credit losses at the reporting date. Management base their assumptions on the Group's historical data, existing market conditions as well as forward looking estimates. As at 30 June 2024, the allowance for impairment of trade receivable amounted to AED 14,235,124 (2023: AED 14,235,124).

(b) Impairment on inventory obsolescence

Inventories are stated net of allowance for obsolescence. Management has considered the allowance required for inventory obsolescence based on the current economic environment and past obsolescence history. As at 30 June 2024, the impairment amounted to AED 1,136,994 (2023: AED 2,207,600).

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

(c) Defined benefit plans

The cost of the defined benefit plan is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers a full yield curve which is determined by reference to market yields on high quality US Corporate bonds, which lies within the acceptable range of bond yields in the region. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases and pension increases are based on expected future inflation rates for UAE and Group strategy. Further details about these obligations are provided in Note 15.

5 Property and equipment

	Leasehold improvements AED	Operating equipment AED	Furniture, fixtures & office equipment AED	Motor vehicles AED	Capital work-in progress AED	Total AED
Cost						
At 1 October 2022 (Unaudited and not reviewed)	9,949,918	55,518,231	16,793,832	2,388,998	1,704,106	86,355,085
Additions	-	3,777,671	5,310,754	-	726,088	9,814,513
Transfers	-	(226,181)	(126,114)	-	-	(352,295)
Disposals	(7,296,514)	(13,010,116)	(2,545,857)	(466,000)	(1,498,262)	(24,816,749)
At 30 September 2023 (Unaudited and not reviewed)	2,653,404	46,059,605	19,432,615	1,922,998	931,932	71,000,554
Acquisition of subsidiaries through business combination	-	3,286,436	1,954,655	-	323,835	5,564,926
Additions	583,047	2,323,401	2,516,002	-	185,270	5,607,720
Transfers	-	471,044	(122,299)	-	-	348,745
Disposals	-	(8,093,853)	(1,275,085)	(1,163,000)	-	(10,531,938)
At 30 June 2024 (Unaudited)	**3,236,451**	**44,046,633**	**22,505,888**	**759,998**	**1,441,037**	**71,990,007**

5 Property and equipment (continued)

	Leasehold improvements AED	Operating equipment AED	Furniture, fixtures & office equipment AED	Motor vehicles AED	Capital work-in progress AED	Total AED
Accumulated depreciation						
At 1 October 2022 (Unaudited and not reviewed)	(9,369,919)	(48,771,466)	(10,864,547)	(2,388,998)	-	(71,394,930)
Charge for the year	(116,000)	(4,526,779)	(3,523,067)	-	-	(8,165,846)
Transfers	-	255,919	96,192	-	-	352,111
Disposals	7,296,514	12,939,116	2,464,843	466,000	-	23,166,473
At 30 September 2023 (Unaudited and not reviewed)	(2,189,405)	(40,103,210)	(11,826,579)	(1,922,998)	-	(56,042,192)
Charge for the period	(92,076)	(6,104,275)	(3,282,436)	-	-	(9,478,787)
Transfers	-	(301,012)	(7,243)	-	-	(308,255)
Disposals	-	8,017,407	1,145,398	1,163,000	-	10,325,805
At 30 June 2024 (Unaudited)	**(2,281,481)**	**(38,491,090)**	**(13,970,860)**	**(759,998)**	**-**	**(55,503,429)**
Net carrying amount						
At 30 September 2023 (Unaudited and not reviewed)	463,999	5,956,395	7,606,036	-	931,932	14,958,362
At 30 June 2024 (Unaudited)	**954,970**	**5,555,543**	**8,535,028**	**-**	**1,441,037**	**16,486,578**

5 Property and equipment (continued)

The depreciation charge for the nine-month period has been allocated in the condensed consolidated interim statement of profit or loss as follows:

	30 June 2024 AED (Unaudited)	30 June 2023 AED (Unaudited and not reviewed)
Direct costs (Note 19)	8,708,291	5,670,608
General and administrative expenses (Note 20)	770,496	578,713
	9,478,787	6,249,321

6 Right-of-use assets

	Buildings AED	**Vehicles AED**	**Total AED**
Cost			
At 1 October 2022 (Unaudited and not reviewed)	73,554,916	26,737,030	100,291,946
Additions	21,901,448	20,890,232	42,791,680
Disposals	(2,674,071)	(10,170,784)	(12,844,855)
At 30 September 2023 (Unaudited and not reviewed)	92,782,293	37,456,478	130,238,771
Acquisition of subsidiaries through business combination	10,673,604	3,512,154	14,185,758
Additions	-	2,972,701	2,972,701
Disposals	-	(3,156,303)	(3,156,303)
At 30 June 2024 (Unaudited)	**103,455,897**	**40,785,030**	**144,240,927**
Accumulated amortisation			
At 1 October 2022 (Unaudited and not reviewed)	(12,085,607)	(12,561,387)	(24,646,994)
Charge for the year	(24,346,705)	(7,121,800)	(31,468,505)
Disposals	2,362,489	10,170,784	12,533,273
At 30 September 2023 (Unaudited and not reviewed)	(34,069,823)	(9,512,403)	(43,582,226)
Charge for the period	(20,406,170)	(5,512,914)	(25,919,084)
Disposals	-	3,156,303	3,156,303
At 30 June 2024 (Unaudited)	**(54,475,993)**	**(11,869,014)**	**(66,345,007)**
Net carrying amount			
At 30 September 2023 (Unaudited and not reviewed)	58,712,470	27,944,075	86,656,545
At 30 June 2024 (Unaudited)	**48,979,904**	**28,916,016**	**77,895,920**

6 Right-of-use assets (continued)

The depreciation charge has been allocated in the condensed consolidated interim statement of profit or loss as follows:

	30 June 2024 AED (Unaudited)	30 June 2023 AED (Unaudited and not reviewed)
Direct costs (Note 19)	24,441,254	21,881,195
General and administrative expenses (Note 20)	1,477,830	1,427,514
	25,919,084	23,308,709

7 Intangible assets

	Software	**Customer relationships**	**Goodwill**	**Total**
Cost				
At 1 October 2022 (Unaudited and not reviewed)	14,078,261	-	-	14,078,261
Additions	289,550	-	-	289,550
At 30 September 2023 (Unaudited and not reviewed)	14,367,811	**-**	**-**	14,367,811
Acquisition of subsidiaries through business combination	-	200,100,000	87,971,591	288,071,591
At 30 June 2024 (Unaudited)	**14,367,811**	**200,100,000**	**87,971,591**	**302,439,402**
Accumulated amortisation				
At 1 October 2022 (Unaudited and not reviewed)	14,009,477	-	-	14,009,477
Charge for the year	72,800	-	-	72,800
At 30 September 2023 (Unaudited and not reviewed)	14,082,277	**-**	**-**	14,082,277
Charge for the period	72,387	2,501,250	-	2,573,637
At 30 June 2024 (Unaudited)	**14,154,664**	**2,501,250**	**-**	**16,655,914**
Net carrying amount				
At 30 September 2023 (Unaudited and not reviewed)	285,534	-	-	285,534
At 30 June 2024 (Unaudited)	**213,147**	**197,598,750**	**87,971,591**	**285,783,488**

7 Intangible assets (continued)

Management tests for impairment on an annual basis for the intangible assets that has indefinite life.

The amortization charge has been allocated in the condensed consolidated interim statement of profit or loss as follows:

	30 June 2024 AED (Unaudited)	30 June 2023 AED (Unaudited and not reviewed)
Direct costs (Note 19)	36,250	-
General and administrative expenses (Note 20)	2,537,387	68,784
	2,573,637	68,784

8 Investment in a joint venture

During 30 June 2024, the Parent transferred its 30% equity interest in KSA JV, having a carrying amount of AED 9,717,881 and accounted for as an equity-accounted joint venture to the Group in exchange for a purchase consideration of AED 9,785 (SAR 10,000), with a transaction close date of 30 June 2024. The excess of carrying amount of the investment acquired over the purchase consideration has been recorded as "Capital contribution" within equity in the condensed consolidated interim statement of financial position.

			Ownership interest	
Name of joint venture	**Area of domicile**	**Principal activities**	**30 June 2024**	**30 September 2023**
Compass Arabia Co Ltd	Kingdom of Saudi Arabia	Catering	**30%**	-

The movement in investment in a joint venture is as follows:

	30 June 2024 AED (Unaudited)
Transferred from the Parent	9,717,881
Less: consideration payable (recognised within 'Due to related parties')	(9,785)
Capital contribution	9,708,096

8 Investment in a joint venture (continued)

	30 June 2024 AED (Unaudited)
Non-current assets	10,883,885
Cash and cash equivalents	5,595,456
Other current assets (excluding cash)	89,218,258
Financial liabilities (excluding trade payables)	(6,242,543)
Other current liabilities (including trade payables)	(60,205,257)
Other non-current liabilities	(6,856,862)
Net assets	32,392,937
Group's share of net assets	30%
Carrying amount of equity accounted investment	9,717,881

9 Inventories

	30 June 2024 AED (Unaudited)	30 September 2023 AED (Unaudited and not reviewed)
Food supplies	10,303,969	6,836,158
Operating supplies	3,252,251	2,555,390
	13,556,220	9,391,548
Less: provision for impairment of slow moving inventories	(3,709,497)	(2,572,503)
	9,846,723	6,819,045

Cost of inventories recognised as an expense during the period 30 June 2024 is AED 350,622,916 (30 June 2023: AED 386,315,581) (Note 19).

10 Trade and other receivables

	30 June 2024 AED (Unaudited)	30 September 2023 AED (Unaudited and not reviewed)
Trade receivables	510,157,368	508,266,654
Less: provision for impairment of trade receivables	(14,235,124)	(14,235,124)
	495,922,244	494,031,530
Contract assets	116,660,618	20,567,958
Rebates	-	34,147,304
Prepayments	14,219,761	10,217,259
Other receivables	12,178,407	8,514,173
	638,981,030	567,478,224

The Group has adopted a policy of dealing with only creditworthy counterparties. Adequate credit assessment is made before entering into a contract with a customer. Out of the total trade receivables balance at the end of the period/year, AED 259,342,537 representing 48% of total trade receivables (30 September 2023: AED 346,598,786 representing 68% of total trade receivables) is due from four major customers. The Group considers these customers to be reputable and creditworthy.

Included in the Group's trade receivable balance are debtors with a carrying amount of AED 339,108,621 (30 September 2023: AED 338,227,062) which are past due at the reporting date for which the Group has not recognized a provision for doubtful receivable as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances. Trade receivables include certain balances with related parties.

The movement in the provision for impairment of trade receivables during the period/year was as follows:

	2024 AED (Unaudited)	2023 AED (Unaudited and not reviewed)
At 1 October	14,235,124	17,538,679
Charge during the period/year	-	904,989
Write off	-	(4,208,544)
At 30 June/30 September	14,235,124	14,235,124

The total impact of the provision for impairment of financial assets in the profit and loss for the nine-months ended 30 June 2024 is Nil (30 June 2023: reversal of provision for impairment of financial assets is AED 7,074).

10 Trade and other receivables (continued)

Aging of trade receivables:

The following table details the risk profile of trade receivables based on the Group's provision matrix.

	Not past due	1-60 days	61-90 days	91-120 days	>120 days	Total
	AED	AED	AED	AED	AED	AED
30 June 2024 (Unaudited)						
Expected credit loss rate	-	1.4%	2.0%	3.9%	10.8%	-
Estimated total gross carrying amount at default	188,432,657	165,063,832	38,282,939	25,080,389	93,297,551	510,157,368
Lifetime ECL	**-**	**2,349,259**	**767,729**	**993,694**	**10,124,442**	**14,235,124**
30 September 2023 (Unaudited and not reviewed)						
Expected credit loss rate	-	1.6%	2.6%	6.5%	6.9%	-
Estimated total gross carrying amount at default	170,039,592	123,863,651	56,106,769	38,641,774	119,614,868	508,266,654
Lifetime ECL	**-**	**1,979,116**	**1,473,335**	**2,497,207**	**8,285,466**	**14,235,124**

The other classes within trade and other receivables do not contain impaired assets.

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

11 Related party transactions and balances

Related parties comprise the shareholder of the Company, the directors and those enterprises over which the shareholder, the directors or the Group can exercise control or significant influence or which can significantly influence the Group. In the ordinary course of business, the Group receives goods and services from, and provides goods and services to, such enterprises on rates, terms and conditions agreed between the parties.

The volume of related party transactions, outstanding balances and related expenses and income for the period/year are as follows:

	Type of transaction	30 June 2024 AED (Unaudited)	30 June 2023 AED (Unaudited and not reviewed)
Entities controlled by Parent			
Al Ghazal Transport Company	Purchases	25,790,147	26,786,637
The Ritz-Carlton Abu Dhabi, Grand Canal	Sales	2,119,035	508,450
Sunshine Travel & Tours	Purchases	1,931,989	7,086,344
Park Hyatt Abu Dhabi Hotels and Villas	Purchases	658,484	59,617
Others	Purchases & Sales	2,523,586	1,976,277
Parent			
Abu Dhabi National Hotels Company PJSC	Purchases	1,324,623	1,718,638
Transfers of property and equipment (Note 5)		40,490	62,985
Transfer of provision for employees' end of service benefits from a related party		-	2,951,097
Key management personnel compensation			
Salaries and allowances		6,949,077	6,464,617
Post-employment benefits		404,026	311,799
		7,353,103	6,464,617

11 Related party transactions and balances (continued)

	30 June 2024 AED (Unaudited)	30 September 2023 AED (Unaudited)
Due from related parties:		
Entities controlled/jointly controlled by Parent		
Park Hyatt Abu Dhabi Hotels and Villas	791,922	14,131
Dubai Marina Hotel LLC	655,497	-
The Ritz-Carlton Abu Dhabi, Grand Canal	628,701	510,814
A D N H Catering L.L.C	-	24,793,797
A D N H Compass L.L.C. SP	-	1,464,506
Others	3,041,285	258,467
	5,117,405	27,041,715

	30 June 2024 AED (Unaudited)	30 September 2023 AED (Unaudited and not reviewed)
Due to related parties:		
Entities controlled by Parent		
Al Ghazal Transport Company	20,873,020	16,897,540
Sunshine Travel & Tours	1,368,415	3,524,797
Others	106,741	964,770
Parent		
Abu Dhabi National Hotels Company PJSC	1,053,074	1,790,810
	23,401,250	23,177,917

12 Cash and bank balances

	30 June 2024 AED (Unaudited)	30 September 2023 AED (Unaudited and not reviewed)
Cash in hand	479,043	853,617
Cash at bank	110,384,045	164,843,711
	110,863,088	165,697,328

Term deposits represent deposits during the period with original maturities of less than 3 months with local banks. The term deposits carried average interest rates of 5% per annum. Finance income recorded during the period amounted to AED 2,862,956 (30 June 2023: AED 1,213,049). At the reporting date, all the term deposits were matured.

13 Share capital

	2024 AED (Unaudited)	2023 AED (Unaudited and not reviewed)
Authorised, issued and fully paid		
2,250,000,000 ordinary shares of AED 0.1 each	225,000,000	-
At 1 October	-	-
Issuance of share capital	3,673	-
Increase in share capital	224,996,327	-
At 30 June/30 September	225,000,000	-

On 22 June 2024, the Company was incorporated with a share capital of USD 1,000 (AED 3,673) with par value of USD 1 (AED 3.673) for 1,000 shares. As of 30 June 2024, 61,265,168 additional shares of par value USD 1 (AED 3.673) were issued, increasing the share capital to USD 61,266,168 (AED 225,000,000). Subsequently, a resolution was issued for the outstanding 61,266,168 share which were split into 2,250,000,000 shares with par value of USD 0.027 (AED 0. 1).

Capital contribution:

During the period, the Group declared a dividend of AED 211,435,726 (30 September 2023: AED 214,350,828) out of which AED 149,881,924 (30 September 2023: AED 214,350,828) was paid in cash and the balance AED 61,553,802 (30 September 2023: nil) was converted to capital contribution.

14 Statutory reserve

In accordance with UAE Federal Decree Law No. 32 of 2021 and the respective articles of association of group entities, 5% of profit for the period is to be transferred to a legal reserve. This reserve represents legal reserve established for A D N H Catering L.L.C – O.P.C. Transfers to this reserve are required to be made until such time as it equals 50% of the paid-up share capital of the entity. The reserve is not available for distribution. No transfers were made as of 30 June 2024 (30 September 2023: Nil) as the reserve has reached 50% of the respective entity's issued and fully paid-up capital.

15 Provision for employees' end of service benefits

The Group provides end of service benefits (defined benefit obligations) to its eligible employees. The actuarial valuation of the present value of the defined benefit obligations was carried out by a registered actuary in the UAE. The Group provide end of service benefits (defined benefit obligations) to its eligible employees.

	2024 AED (Unaudited)	2023 AED (Unaudited and not reviewed)
At 1 October	110,130,739	117,377,324
Acquired through business combination (Note 21)	1,674,909	-
Service cost	11,503,462	20,218,570
Interest expense	4,233,201	-
Re-measurement gain recognised in other comprehensive income	(372,769)	-
Payment during the period/year	(11,788,465)	(30,416,252)
Transfers from a related party (Note 11)	-	2,951,097
At 30 June/30 September	115,381,077	110,130,739

The total impact in the profit and loss for the nine-months ended 30 June 2024 is AED 15,736,663 (30 June 2023: 15,362,375).

The provision is recognised based on the following significant assumptions:

	2024
Average annual rate of salary increases	4.25%
Average annual voluntary termination rate	14.54%
Discount rate	5.15%

Demographic assumptions for mortality, withdrawal and retirement were used in valuing the liabilities and benefits under the plan.

15 Provision for employees' end of service benefits (continued)

Sensitivity analysis
The liability would be higher by AED 2,999,908 had the discount rate used in the assumption been lower by 0.5% and the liability would be lower by AED 2,769,146 had the discount rate used in the assumption been higher by 0.5%. The liability would be higher by AED 2,769,146 had the salary rate used in the assumption been higher by 0.5% and the liability would be lower by AED 2,653,765 had the salary increase rate used in the assumption been lower by 0.5%. The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant.

Risks and uncertainties

a) Volatility, cashflow and economic risks

The volatility and cash-flow risks arise if the Group are not able to generate sufficient operational cash surplus to fund employee benefit liabilities when they fall due.

b) Regulatory risk

The risk arises if the regulator issues guidance on the assumptions to be used in IAS 19 calculation, which might significantly change the percentage used as assumptions such as the discount rate or the future salary growth. The risk is compounded if the Group have no scope to manage this differential between salary escalation and discount rate.

There are further risks that regulators may impose other unexpected requirements, such as valuation of accrued annual leave, or other employee benefits, not currently foreseen.

c) Liquidity and balance sheet risk

Regulators may discuss the moving of liabilities off-balance sheet, and/or to require some form of asset funding and matching of the liabilities. Regulators may do this to create their own bond markets and also to increase their local stock market liquidity and stability, thereby injecting stimulus into local money markets which may require the Group to set up such schemes exactly when tighter economic circumstances prevail, which means that entities will have strained cash-flow at the very time when they need to both start funding such a scheme and meet existing operational cash-demands.

d) Increasing salary escalation

The Group need to consider the long-term outlook of their future salary escalation policy, as well as macroeconomic factors such as inflation to avoid reduction of profitability of the Group due to the increase in the defined benefit scheme cost.

e) Discount rate risk

The discount rate risk arises when the Schemes' return on assets is lower than the assumed discount rate, if any. Any shortfall in the attained investment return on the assets, if any, compared to the assumed discount rate would be recognised through other comprehensive income.

The Group do not have any scheme assets, at the end of each reporting period, the interest cost is accrued to the Groups' profit & loss account as a proportion of the schemes' liability.

Pension contribution

The pension charge for the nine-month period ended 30 June 2024 is AED 847,498 (30 June 2023: 849,077). The pension contribution is towards the state pension fund therefore accounted for as a defined contribution.

16 Lease liabilities

	30 June 2024 AED (Unaudited)	30 September 2023 AED (Unaudited and not reviewed)
At 1 October	77,971,210	65,514,053
Acquired through business combination (Note 21)	14,182,505	-
Additions during the period/year	2,972,701	45,211,843
Accretion of interest	1,930,171	2,784,246
Payments	(26,058,306)	(35,538,932)
At 30 June/30 September	70,998,281	77,971,210

Lease liabilities are classified as follows:

Non-current	32,851,093	47,584,568
Current	38,147,188	30,386,642
	70,998,281	77,971,210

17 Trade and other payables

	30 June 2024 AED (Unaudited)	30 September 2023 AED (Unaudited and not reviewed)
Trade payables	213,808,562	175,227,568
Accrued expenses	163,049,764	181,084,191
Other payables	59,775,790	58,923,182
	436,634,116	415,234,941

The average credit period on purchases of goods is 60 - 90 days. No interest is charged on the trade payables. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

18 Revenues

	30 June 2024 AED (Unaudited)	30 June 2023 AED (Unaudited and not reviewed)
Catering services	603,919,938	628,064,596
Manpower services	280,425,471	256,120,958
Fixed fee services	80,578,642	127,503,692
Food and beverage	49,674,933	46,508,595
Non-food supplies	11,944,834	14,512,626
Laundry	9,063,076	8,989,836
Other revenues	6,289,665	15,056,487
	1,041,896,559	1,096,756,790
Timing of revenue recognition		
At a point in time	680,892,446	713,132,140
Over time	361,004,113	383,624,650
	1,041,896,559	1,096,756,790

(a) Contract assets

The Group has recognised the following contract assets:

	30 June 2024 AED (Unaudited)	30 June 2023 AED (Unaudited and not reviewed)
Contract assets (Note 10)	116,660,618	20,567,958

(b) Unsatisfied contracts

The aggregate amount of the transaction price allocated to the performance obligations of the Group that are fully or partially unsatisfied as at 30 June 2024 is AED 205,102,322 (30 June 2023: AED 505,987,134). The Group expects to recognise the unsatisfied performance obligations as revenue in the next 12 months reporting period of AED 163,577,772 (30 June 2023: 294,588,486).

19 Direct costs

	30 June 2024 AED (Unaudited)	30 June 2023 AED (Unaudited and not reviewed)
Staff costs	441,797,015	420,121,616
Costs of materials (Note 9)	350,622,916	386,315,581
Amortization of right-of-use assets (Note 6)	24,441,254	21,881,195
Rent expenses (short term and low value leases)	12,595,263	13,666,747
Transportation	12,361,433	12,818,806
Maintenance	10,931,177	15,092,786
Depreciation of property and equipment (Note 5)	8,708,291	5,670,608
Amortisation of intangible assets (Note 7)	36,250	-
Others	19,868,440	25,877,475
	881,325,789	901,444,814

20 General and administrative expenses

	30 June 2024 AED (Unaudited)	30 June 2023 AED (Unaudited and not reviewed)
Staff costs	36,374,833	39,709,594
Maintenance	5,444,398	6,401,986
Amortisation of intangible assets	2,537,387	68,784
Amortization of right-of-use assets (Note 6)	1,477,830	1,427,514
License fees	851,364	2,975,597
Depreciation of property and equipment (Note 5)	770,496	578,713
Insurance	480,000	420,000
Others	2,798,127	3,775,651
	50,734,435	55,357,839

21 Transfer of ADNHC Dubai and ADNHC Sharjah to ADNHC Abu Dhabi from Parent

On 31 March 2024, the Parent obtained control over ADNHC Abu Dhabi, ADNHC Dubai and ADNHC Sharjah (together the "ADNHC entities") through its acquisition of the remaining 49% shareholding in the ADNHC entities, making each of the three entities wholly owned subsidiaries of the Parent.

21 Transfer of ADNHC Dubai and ADNHC Sharjah to ADNHC Abu Dhabi from Parent (continued)

On 11 June 2024 and 26 June 2024, the Parent transferred 100% equity interest in ADNHC Dubai and ADNHC Sharjah entities, respectively, to ADNHC Abu Dhabi for a total consideration of AED 20,000. As this is a business combination under common control, management has elected to apply pooling of interest method on a retrospective basis. As such, the excess of net asset value acquired over the purchase consideration has been recorded as "Capital contribution" within equity in the condensed consolidated interim statement of financial position.

The acquired business contributed revenues of AED 83,132,375 and net profit of AED 1,301,672 to the Group for the period from 1 April 2024 to 30 June 2024. If the transfer occurred on 1 October 2023, the consolidated revenue and consolidated profit after tax for the nine-month period ended 30 June 2024 would have been AED 248,326,479 and AED 9,723,427, respectively.

The following table summarises the recognised amounts of assets and liabilities:

	31 March 2024 AED (Unaudited)
Assets	
Property and equipment	5,564,926
Right-of-use assets	14,185,758
Intangible assets (including goodwill)	288,071,591
Inventories	2,385,097
Trade and other receivables	125,384,600
Cash and bank balances	455,837
	436,047,809
Liabilities	
Provision for employees' end of service benefits	1,674,909
Deferred tax liabilities	17,998,727
Lease liabilities	14,182,505
Trade and other payables	84,795,900
Due to related parties	41,287,141
	159,939,182
Fair value of net identifiable net assets acquired (including goodwill)	276,108,627
Consideration payable (recognised within 'due to related parties')	(20,000)
Recorded as capital contribution	276,088,627

Notes to condensed consolidated interim financial information for the period ended 30 June 2024 (continued)

21 Transfer of ADNHC Dubai and ADNHC Sharjah to ADNHC Abu Dhabi from Parent (continued)

The goodwill is significantly attributable to the assembled workforce of the acquired business.

Acquired receivables

The fair value of acquired trade receivables is AED 103,563,786. The gross contractual amount for trade receivables due is AED 120,945,899, with a loss allowance of AED 17,382,113 recognised on acquisition.

Intangible assets transferred from the Parent as part of the business combination under common control to ADNHC Abu Dhabi are detailed below:

	31 March 2024 AED (Unaudited)
Customer relationships	200,100,000
Goodwill	87,971,591
	288,071,591

22 Income taxes

Income tax expense recorded in the condensed consolidated statement of profit or loss comprises the following:

	30 June 2024 AED (Unaudited)	30 June 2023 AED (Unaudited and not reviewed)
Current tax	10,302,132	-
Deferred tax	(224,984)	-
	10,077,148	-

For determining the tax expense for the period, the accounting profit has been considered for tax purposes. The average effective tax rate is approximately 9%.

22 Income taxes (continued)

Deferred tax liabilities movement during the period:

	Intangible assets AED	**Right-of-use assets** AED	**Lease liabilities** AED	**Total** AED
At 1 October 2023 (Unaudited and not reviewed)	-	-	-	-
Acquired through business combination	18,008,999	(15,250)	4,978	17,998,727
(Charge)/credit during the period	(225,113)	191	(62)	(224,984)
At 30 June 2024 (Unaudited)	17,783,886	(15,059)	4,916	17,773,743

23 Basic and diluted earnings per share

Basic Earnings Per Share (EPS) is calculated by dividing the profit for the period attributable to ordinary equity holders of the Parent by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is calculated by dividing the profit for the period attributable to ordinary equity holders of the Parent by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. As at 30 June 2024 and 30 June 2023, there were no shares which were dilutive in nature.

The following table reflects the profit for the period and share data used in the basic and diluted EPS calculations:

	30 June 2024 AED (Unaudited)
Earnings attributable to equity holders of the Parent (AED)	100,880,532
Weighted average number of shares in issue	2,250,000,000
Basic and diluted earnings per share (AED)	0.045

The weighted average number of ordinary shares for periods presented have been adjusted for the effects of capitalisation arising from the reorganisation which resulted in the issuance of 2,250,000,000 ordinary shares in June 2024.

24 Segment information

The Group’s operating segments are determined based on its internal reporting to the Chief Operating Decision Maker (the “CODM”). The CODM has been determined to be the Chief Executive Officer (“CEO”), as all final decisions are made by the CEO in consultation with the executive committee and the function is primarily responsible for the allocation of resources to segments and assessment of performance of segments.

The primary segment reporting format is determined to be operating segments as the Group’s risks and rates of return are affected predominantly by differences in the products and services produced. The operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic operating unit that offers different products and serves different markets.

Operating segments

For management purposes, the Group is currently organised into two major operating segments. These segments are the basis on which the Group reports its primary segmental information. These are:

- Catering services
- Support services

The segments are concentrated into two elements which are providing the food & beverage services to the customers under catering services and the other is to provide various support services which includes manpower services, laundry services and other services. This presentation reflects how the Group’s operating performance is reviewed internally by management. Catering services and support services segments’ performance is measured based on profit or loss.

The accounting policies of the reportable segments are the same as the Group’s accounting policies described in Note 3. Segment profit represents the profit or loss earned by each segment after considering general and administrative expenses, other income, finance income and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

24 Segment information (continued)

For the nine-month period ended 30 June 2024 (Unaudited)	Catering services AED	Support services AED	Eliminated entries AED	Total AED
Revenue from customers				
- Over a period of time	12,302,769	348,701,344	-	361,004,113
- At a point in time	622,442,678	58,449,768	-	680,892,446
Revenues	634,745,447	407,151,112	-	1,041,896,559
Direct costs	(509,335,690)	(371,990,099)	-	(881,325,789)
Gross profit	125,409,757	35,161,013	-	160,570,770
General and administrative expenses	(39,145,356)	(11,589,079)	-	(50,734,435)
Other income, net	145,518	43,042	-	188,560
Finance income	2,178,575	684,381	-	2,862,956
Finance costs	(1,547,247)	(382,924)	-	(1,930,171)
Profit for the period before tax	87,041,247	23,916,433	-	110,957,680
Income tax expense				(10,077,148)
Profit for the period				100,880,532

24 Segment information (continued)

For the nine-month period ended 30 June 2023 (Unaudited and not reviewed)	**Catering services AED**	**Support services AED**	**Eliminated entries AED**	**Total AED**
Revenue from customers				
- Over a period of time	32,698,549	350,926,101	-	383,624,650
- At a point in time	672,432,401	40,699,739	-	713,132,140
Revenues	705,130,950	391,625,840	-	1,096,756,790
Direct costs	(548,565,208)	(352,879,606)	-	(901,444,814)
Gross profit	156,565,742	38,746,234	-	195,311,976
General and administrative expenses	(44,375,882)	(10,981,957)	-	(55,357,839)
Reversal for impairment of financial assets	-	(7,074)	-	(7,074)
Other income, net	501,534	124,117	-	625,651
Finance income	972,403	240,646	-	1,213,049
Finance costs	(1,693,438)	(419,085)	-	(2,112,523)
Profit for the period	111,970,359	27,702,881	-	139,673,240

Revenue of approximately AED 203,663,308 (30 June 2023: AED 172,171,388) is derived from one customer. This revenue is attributed to catering services only.

25 Contingent liabilities

	30 June 2024 AED (Unaudited)	30 September 2023 AED (Unaudited and not reviewed)
Bank guarantees	198,746,113	211,066,462
Within one year	5,591,626	12,721,402
Between one and two years	12,820,741	12,838,997
Above two years	180,333,746	185,506,063
	198,746,113	211,066,462

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

Commitments

The estimated commitments contracted at 30 June 2024 amounts to AED 55.7 million (30 September 2023: AED 12.2 million).

26 Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

	30 June 2024 AED (Unaudited)	30 September 2023 AED (Unaudited and not reviewed)
Financial assets:		
Trade and other receivables	624,761,269	557,260,965
Due from related parties	5,117,405	27,041,715
Cash and bank balances	110,863,088	165,697,328
	740,741,762	750,000,008
Financial liabilities		
Trade and other payables	436,634,116	415,234,941
Due to related parties	23,401,250	23,177,917
Lease liabilities	70,998,281	77,971,210
	531,033,647	516,384,068

For the purpose of the financial instrument's disclosure, non-financial assets have been excluded from 'trade and other receivables'.

27 Fair value measurement

The Group's management considers that the fair values of financial assets and financial liabilities approximate to their carrying amounts as stated in the condensed consolidated interim financial information.

Fair value hierarchy levels 1 to 3 are based on the degree to which the fair value is observable:

- Level 1 – fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – fair value measurement are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying values of the Group's financial assets and financial liabilities as at 30 June 2024 are not materially different from their fair values and falls under Level 1 category.

28 Financial risk management

Capital risk management

The primary objective of the Group's capital risk management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise returns to the shareholder. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirement of the financial covenants (if any). To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholder, return capital to shareholder or issue new shares.

Credit risk

Credit risk is managed on Group basis, except for credit risk relating to trade receivables balances. Each local entity is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. Individual risk limits are based on management's assessment on a case-by-case basis. The utilisation of credit limits is regularly monitored. The Group's policy is to place cash and cash equivalents and short terms deposits with reputable banks and financial institutions. The cash and cash equivalents are held with banks, which are rated A to Aa3, based on Moody's ratings.

Refer to Note 10 for the significant concentrations of credit risk within the Group. There are policies in place to ensure that services are rendered to customers with an appropriate credit history. The Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. During the period, the credit risk relating to trade receivables is not significantly changed.

28 Financial risk management (continued)

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Note	30 June 2024 AED (Unaudited)	30 September 2023 AED (Unaudited and not reviewed)
Trade and other receivables	*10*	624,761,269	557,260,965
Due from related parties	*11*	5,117,405	27,041,715
Cash at bank	*12*	110,384,045	164,843,711
		740,262,719	749,146,391

Due from related parties

Related parties have been transacting with the Group since its inception and as at the reporting date, management believes that impairment loss in relation to amount due from related parties is immaterial and accordingly has not established an allowance. The Group does not require collateral in respect of its amount due from related parties. The Group does not have amounts for which no loss allowance is recognised because of collateral.

Bank balances

With respect to bank balances of AED 110,384,045 as at 30 June 2024 (30 September 2023: AED 164,843,711), only banks that are rated A to Aa3, based on Moody's ratings, are accepted.

Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash at bank has a low credit risk because the counterparties have high credit-ratings assigned by international credit-rating agencies.

Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its funding requirements. The maturity profile of financial liabilities is monitored by management to ensure adequate liquidity is maintained.

Cash flow forecasting is performed by the management of the Group. The management of the Group monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group's debts financing plans, if any, covenant compliance and compliance with internal consolidation statement of financial position targets. The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows:

28 Financial risk management (continued)

	Carrying amount AED	Less than 1 year AED	1 to 5 years AED
30 June 2024 (Unaudited)			
Trade and other payables	436,634,116	436,634,116	-
Due to related parties	23,401,250	23,401,250	-
Lease liabilities	74,791,103	40,092,209	34,698,894
	534,826,469	500,127,575	34,698,894
30 September 2023 (Unaudited and not reviewed)			
Trade and other payables	415,234,941	415,234,941	-
Due to related parties	23,177,917	23,177,917	-
Lease liabilities	82,389,751	49,756,712	32,633,039
	520,802,609	488,169,570	32,633,039

The amounts are gross and undiscounted and include estimated interest payments.

Market risk

Interest rate risk

Interest rate risk means the risk that interest income and interest expenses arising from deposits, borrowings (if any), etc., will fluctuate due to future fluctuations in market interest rates. This occurs mainly due to deposits and borrowings with variable rates. There are no amounts exposed to interest rate risk because the Group do not have borrowings or deposits with variable rates at the reporting date.

Currency risk

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

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group does not have any significant exposure to price risk as the Group doesn't hold financial instruments that are exposed to market risks.

29 Non-cash transactions

Material non-cash transactions during the nine-month period ended 30 June 2024 and 30 June 2023 are as follows:

	30 June 2024 AED (Unaudited)	30 June 2023 AED (Unaudited and not reviewed)
Acquisition of subsidiaries (Note 21)	275,632,790	-
Acquisition of a joint venture (Note 8)	9,708,096	-
Right of use assets	2,972,701	42,791,680
Lease liabilities	2,972,701	45,211,843
Increase in share capital (Note 13)	224,996,327	-
Conversion of dividend declared to capital contribution (Note 13)	61,553,802	-
Dividends declared but not paid	-	214,350,828
Transfer of property and equipment	40,490	62,985
Transfer of provision for employees' end of service benefits from a related party	-	2,951,097

30 Subsequent event

The Group entered into an arrangement with a commercial bank for a revolving credit facility (unsecured) on 24 July 2024 for an amount of AED 250 million with an interest rate of EIBOR+1.45% for a period of three years which is extendable up to one year at the lenders discretion.

A D N H Catering L.L.C – O.P.C,
A D N H Catering L.L.C and
A D N H Compass L.L.C. SP

Review report and special purpose condensed combined interim financial information for the nine-month period ended 30 June 2024 (Unaudited)

A D N H Catering L.L.C – O.P.C, A D N H Catering L.L.C and A D N H Compass L.L.C. SP

Review report and special purpose condensed combined interim financial information for the nine-month period ended 30 June 2024 (Unaudited)

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Review report on special purpose condensed combined interim financial information to the Board of Directors of ADNH Catering L.L.C – O.P.C, ADNH Catering L.L.C and ADNH Compass L.L.C. SP

Introduction

We have reviewed the accompanying special purpose condensed combined interim statement of financial position of the entities set out in Note 1 to the special purpose condensed combined interim financial information (the 'Entities') as at 30 June 2024 and the related special purpose condensed combined interim statements of profit and loss, comprehensive income, changes in equity and cash flows for the nine-month period (the “Period”) then ended, and other explanatory notes. Management is responsible for the preparation and presentation of this special purpose condensed combined interim financial information in accordance with the accounting policies approved by the Board of Directors of the Entities. Our responsibility is to express a conclusion on this special purpose condensed combined interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of interim financial information performed by the independent auditor of the entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying special purpose condensed combined interim financial information is not prepared, in all material respects, in accordance with its own accounting policies.

Emphasis of matter – basis of preparation

We draw attention to the fact that, as described in Note 1 to the special purpose condensed combined interim financial information, the businesses included in the special purpose condensed combined interim financial information have not operated as a single entity. This special purpose condensed combined interim financial information, is therefore, not necessarily indicative of results that would have occurred if the businesses had operated as a single business during the period presented or of future results of the combined businesses.

The special purpose condensed combined interim financial information has been prepared by management in connection with the listing of the A D N H Catering Limited on the Abu Dhabi Stock Exchange in the United Arab Emirates. As a result, the special purpose condensed combined interim financial information may not be suitable for another purpose. Our conclusion is not modified in respect of this matter.

Review report on special purpose condensed combined interim financial information to the Board of Directors of ADNH Catering L.L.C – O.P.C, ADNH Catering L.L.C and ADNH Compass L.L.C. SP (continued)

Other matter

The comparative information for the special purpose condensed combined interim statement of financial position is based on the audited combined financial statements as at 30 September 2023. The comparative information for the special purpose condensed combined interim statements of profit and loss, comprehensive income, changes in equity and cash flows for the nine-month period ended 30 June 2023 has not been audited or reviewed.

PricewaterhouseCoopers Limited Partnership – Abu Dhabi

19 August 2024

…………………………………..
Nizar Jichi
Registered Auditor Number 5596
Abu Dhabi, United Arab Emirates

A D N H Catering L.L.C – O.P.C, A D N H Catering L.L.C and A D N H Compass L.L.C. SP

Special purpose condensed combined interim statement of financial position

	Note	As at 30 June 2024 AED (Unaudited)	As at 30 September 2023 AED (Audited)
ASSETS			
Non-current assets			
Property and equipment	4	16,486,578	20,154,559
Right-of-use assets	5	78,065,364	105,108,100
Intangible assets	6	213,147	285,534
Investment in a joint venture	7	9,717,881	-
		104,482,970	125,548,193
Current assets			
Inventories	8	9,846,722	13,232,529
Trade and other receivables	9	638,981,030	687,603,861
Due from related parties	15	5,117,405	1,723,248
Cash and bank balances	10	110,863,088	166,001,074
		764,808,245	868,560,712
Total assets		869,291,215	994,108,905
EQUITY AND LIABILITIES			
EQUITY			
Share capital	11	20,450,000	20,450,000
Statutory reserve	12	10,225,000	10,225,000
Capital contribution	12	71,261,898	-
Other reserves	13	(1,145,169)	-
Retained earnings		111,152,453	223,423,235
Net equity		211,944,182	254,098,235
LIABILITIES			
Non-current liabilities			
Provision for employees' end of service benefits	13	115,381,077	110,272,285
Lease liabilities	5	32,906,398	56,663,360
		148,287,475	166,935,645
Current liabilities			
Trade and other payables	14	436,634,116	509,576,123
Due to related parties	15	23,368,327	23,966,902
Lease liabilities	5	38,147,188	39,532,000
Income tax provision	19	10,909,927	-
		509,059,558	573,075,025
Total liabilities		657,347,033	740,010,670
Total equity and liabilities		869,291,215	994,108,905

This special purpose condensed combined interim financial information was authorized and approved for issuance on 19 August 2024 and signed by:

………………………………
Khalaf Sultan Rashed Saeed Al Dhaheri
Chairman of the Board

………………………………
Clive William Cowley
Chief Executive Officer

The notes on pages 8 to 28 are an integral part of this special purpose condensed combined interim financial information.

Special purpose condensed combined interim statement of profit or loss

	Note	Nine-month period ended 30 June 2024 AED (Unaudited)	Nine-month period ended 30 June 2023 AED (Unaudited and not reviewed)
Revenues	16	1,207,090,664	1,419,045,638
Direct costs	17	(1,034,216,309)	(1,213,412,410)
Gross profit		172,874,355	205,633,228
General and administrative expenses	18	(51,810,728)	(55,959,605)
Reversal for impairment of financial assets		-	(7,074)
Other income, net		77,199	617,753
Operating profit		121,140,826	150,284,302
Finance income	10	2,862,956	1,213,049
Finance costs	5	(2,257,034)	(2,384,798)
Finance income/(costs), net		605,922	(1,171,749)
Profit for the period before tax		121,746,748	149,112,553
Income tax expense	19	(10,909,927)	-
Profit for the period		110,836,821	149,112,553

As the financial information has been prepared on a combined basis, it is not possible to measure earnings per share.

The notes on pages 8 to 28 are an integral part of this special purpose condensed combined interim financial information.

Special purpose condensed combined interim statement of comprehensive income

	Note	Nine-month period ended 30 June 2024 AED (Unaudited)	2023 AED (Unaudited and not reviewed)
Profit for the period		110,836,821	149,112,553
Other comprehensive income for the period			
Item that may not be reclassified subsequently to profit and loss:			
Actuarial loss on employees' end of service benefits	13	(1,145,169)	-
Total comprehensive income for the period		109,691,652	149,112,553

The notes on pages 8 to 28 are an integral part of this special purpose condensed combined interim financial information.

A D N H Catering L.L.C – O.P.C, A D N H Catering L.L.C and A D N H Compass L.L.C. SP

Special purpose condensed combined interim statement of changes in equity

	Share capital AED	Statutory reserve AED	Capital contribution AED	Other reserves AED	Retained earnings AED	Net equity AED
At 1 October 2022 (Audited)	20,450,000	10,225,000	-		240,308,446	270,983,446
Profit for the period	-	-	-	-	149,112,553	149,112,553
Actuarial gain on employees' end of service benefits	-	-	-	-	-	-
Dividends (Note 11)	-	-	-	-	(239,992,814)	(239,992,814)
At 30 June 2023 (Unaudited and not reviewed)	20,450,000	10,225,000	-	-	149,428,185	180,103,185
At 1 October 2023 (Audited)	20,450,000	10,225,000	-	-	223,423,235	254,098,235
Profit for the period	-	-	-	-	110,836,821	110,836,821
Actuarial (loss) on employees' end of service benefits	-	-	-	(1,145,169)	-	(1,145,169)
Capital contribution (Note 12.b)	-	-	61,553,802	-	-	61,553,802
Capital contribution (Note 12.b)	-	-	9,708,096	-	-	9,708,096
Dividends (Note 11)	-	-	-	-	(223,107,603)	(223,107,603)
At 30 June 2024 (Unaudited)	20,450,000	10,225,000	71,261,898	(1,145,169)	111,152,453	211,944,182

A D N H Catering L.L.C – O.P.C, A D N H Catering L.L.C and A D N H Compass L.L.C. SP

Special purpose condensed combined interim statement of cash flows

	Notes	Nine-month period ended 30 June 2024 AED (Unaudited)	2023 AED (Unaudited and not reviewed)
Cash flows from operating activities			
Profit for the period before tax		121,746,748	149,112,553
Adjustments for:			
Depreciation of property and equipment	4	11,012,928	8,328,181
Depreciation of right-of-use assets	5	30,468,970	31,290,011
Provision for employees' end of service benefits	13	15,752,088	17,596,136
(Gain)/loss on disposal of property and equipment		(55,735)	1,462,713
Reversal of provision for impairment of financial assets	9	-	7,074
Provision for impairment of slow-moving inventories	8	1,136,994	2,207,600
Finance costs	5	2,257,034	2,384,798
Interest income		(2,862,956)	(1,213,049)
Amortisation of intangible assets	17 , 18	72,387	68,784
Operating cash flows before employees' end of service benefits payment and changes in working capital		179,528,458	211,244,801
Employees' end of service benefits paid	13	(11,788,465)	(13,627,183)
Working capital changes:			
Inventories		2,248,813	(3,033,563)
Trade and other receivables		48,622,831	(85,887,115)
Trade and other payables		(72,942,007)	(54,726,015)
Due from related parties		(3,394,157)	(12,742,119)
Due to related parties		(598,575)	4,365,037
Net cash generated from operating activities		141,676,898	45,593,843
Cash flows from investing activities			
Purchase of property and equipment	4	(7,665,057)	(10,428,433)
Proceeds from disposal of property and equipment		375,845	172,962
Acquisition of a joint venture		(9,785)	-
Interest received		2,862,956	1,213,049
Net cash used in investing activities		(4,436,041)	(9,042,422)
Cash flows from financing activities			
Dividends paid		(161,553,801)	-
Interest paid on lease liabilities	5	(2,257,034)	(2,384,798)
Principal elements of lease payments		(28,568,008)	(31,241,692)
Net cash used in financing activities		(192,378,843)	(33,626,490)
Net (decrease)/increase in cash and cash equivalents		(55,137,986)	2,924,931
Cash and cash equivalents at the beginning of the period		166,001,074	317,877,422
Cash and cash equivalents at the end of the period	10	110,863,088	320,802,353
Non-cash transactions:			
Right of use assets	5	3,426,234	35,612,948
Lease liabilities	5	3,426,234	35,612,948
Capital contribution	12	61,553,802	-
Acquisition of a joint venture	7	9,708,096	-
Dividends declared but not paid		-	239,992,814
Transfer of property and equipment		40,490	62,985
Transfer of provision for employees' end of service benefits from a related party		-	2,951,097

The notes on pages 8 to 28 are an integral part of this special purpose condensed combined interim financial information.

1 General information

The special purpose condensed combined interim financial information comprise of the following entities under common control (together referred to as the "Entities"):

- A D N H Catering L.L.C – O.P.C;
- A D N H Catering L.L.C; and
- A D N H Compass L.L.C. SP

A D N H Catering L.L.C – O.P.C is registered as a limited liability company in the Emirate of Abu Dhabi. The principal activities of the entity are providing facilities management, hospitality, disinfection, labour accommodation management, building maintenance, and restaurant management. It also offers landscape services, retail sales via vending machines, exterior cleaning, laundry, pest control, oil and gas field services, industrial cleaning, catering, and importing goods. It is registered under license number CN-1028303 and the registered address is P O Box 109767 Abu Dhabi, UAE.

A D N H Catering L.L.C is registered as a limited liability Company in the Emirate of Dubai. The principal activities of the entity are disinfection and sterilization, ship candling, catering, general trading, facilities management, building cleaning, wholesale trading, and foodstuff supply services. It is registered under license number 217213 and the registered address is PO Box: 31769 Dubai, UAE.

A D N H Compass L.L.C. SP is registered as a limited liability company in the Emirate of Sharjah. The principal activities of the entity are office services, restaurant management, food catering, ship candling, and onshore and offshore oil and gas field services. It is registered under license number 1880 and the registered address is PO Box 1897 Sharjah, UAE.

The Entities are 100% owned by A D N H Catering Limited (the Parent Company) as of 30 June 2024.

The businesses included in the special purpose condensed combined interim financial information have not operated as a single entity. This special purpose condensed combined interim financial information is, therefore, not necessarily indicative of results that would have occurred if the businesses had operated as a single business during the period presented or of future results of the combined businesses.

This special purpose condensed combined interim financial information have been prepared for the directors of the Entities solely for the purpose of inclusion in the Prospectus and International Offering Memorandum of the A D N H Catering Limited in connection with the proposed initial public offering of the shares of the Parent Company on the Abu Dhabi Stock Exchange.

On 28 June 2024, the Ultimate Parent/Controlling Company (Abu Dhabi National Hotels Company PJSC) entered into a share transfer agreement to transfer its 30% equity interest in Compass Arabia Co Ltd (“KSA JV”), that was accounted for as an equity-accounted joint venture, to A D N H Catering L.L.C – O.P.C, with transaction close date of 30 June 2024.

2 Material accounting policies

2.1 Basis of combination

The special purpose condensed combined interim financial information of the Entities detailed in Note 1 have been combined as the Entities are under common control and reflect one economic operating entity. Further, the shareholder who also manages the Entities has the power to govern the financial and operating policies of these Entities.

This special purpose condensed combined interim financial information combines only the financial positions and results of the combined entities, as defined in Note 1, and exclude all other assets, liabilities and results of other entities owned by the same shareholder. All significant inter-company transactions occurring during the period and balances receivable and payable at the period-end have been eliminated upon combination.

2.2 Basis of preparation

The special purpose condensed combined interim financial information has been prepared in accordance with the accounting policies as adopted by the Directors of the Entities (own accounting policies) and also comply with the applicable requirements of the laws in the UAE.

The special purpose condensed combined interim financial information is prepared using the historical cost basis. This special purpose condensed combined interim financial information has been presented in United Arab Emirates Dirham (“AED”) which is the reporting currency of the Entities.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the special purpose condensed combined interim financial information have been disclosed in Note 3.

The special purpose condensed combined interim financial information does not include all the information required for full annual combined financial statements and should be read in conjunction with the Entities’ audited combined financial statements for the year ended 30 September 2023. However, selected explanatory notes as shown below are included to explain events and transactions that are significant to the understanding of the changes in the Entities' financial position and performance since the last combined financial statements. In addition, results for the nine-month ended 30 June 2024 are not necessarily indicative of the results that may be expected for the financial period ending 31 December 2024 (the Entities changed their financial year end from 30 September to 31 December with effect from the current financial period).

The accounting policies adopted in the preparation of the special purpose condensed combined interim financial information are the same as those applied by the Entities in its combined financial statements as at and for the year ended 31 December 2023, except for the new accounting policy presented below.

2 Material accounting policies (continued)

2.3 Income taxes

Income taxes have been provided for in the special purpose condensed combined interim financial information in accordance with legislation enacted or substantively enacted by the end of the reporting period. The income tax charge comprises current tax and deferred tax and is recognised in profit or loss for the year, except if it is recognised in other comprehensive income or directly in equity because it relates to transactions that are also recognised, in the same or a different period, in other comprehensive income or directly in equity.

Taxable profits or losses are based on estimates if the special purpose condensed combined interim financial information is authorised prior to filing relevant tax returns. Taxes other than on income are recorded within operating expenses.

Deferred income tax is provided using the balance sheet liability method for tax loss carry forwards and temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. In accordance with the initial recognition exemption, deferred taxes are not recorded for temporary differences on initial recognition of an asset or a liability in a transaction other than a business combination if the transaction, when initially recorded, affects neither accounting nor taxable profit and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are not recorded for temporary differences on initial recognition of goodwill, and subsequently for goodwill which is not deductible for tax purposes. Deferred taxes are recorded on temporary differences arising after initial recognition of goodwill, including those arising on initial introduction of the tax law in the UAE.

Deferred tax balances are measured at tax rates enacted or substantively enacted at the end of the reporting period, which are expected to apply to the period when the temporary differences will reverse, or the tax loss carry forwards will be utilised.

Deferred tax assets for deductible temporary differences and tax loss carry forwards are recorded only to the extent that it is probable that the temporary difference will reverse in the future and there is sufficient future taxable profit available against which the deductions can be utilised.

2.4 Investment in joint ventures

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

The considerations made in determining joint control are similar to those necessary to determine control over subsidiaries. The Entities' investment in its joint ventures are accounted for using the equity method.

2 Material accounting policies (continued)

2.4 Investment in joint ventures (continued)

When the Entities receives investment in joint ventures from other entities under common control where such transfers reflect transactions with owners in their capacity as owners, on initial recognition, these investments are accounted at their respective carrying amounts as recorded in the transferor's financial statements. The difference between consideration paid and the carrying amount is reflected as 'Capital contribution' within equity.

Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Entities' share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

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

The aggregate of the Entities' share of profit or loss of a joint venture is shown on the face of special purpose condensed combined interim the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the joint venture.

The financial statements of the joint venture are prepared for the same reporting period as the Entities. When necessary, adjustments are made to bring the accounting policies in line with those of the Entities. After application of the equity method, the Entities determine whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Entities determine whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Entities calculate the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss within 'Share of profit of a joint venture' in the special purpose condensed combined interim statement of profit or loss.

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

3 Critical accounting judgments and key sources of estimation uncertainty

The preparation of the special purpose condensed combined interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing this special purpose condensed combined interim financial information, the significant judgments made by management in applying the Entities' accounting policies and the key sources of estimation and uncertainty were the same as those applied to the combined financial statements for the year ended 30 September 2023 except for the new judgments and estimates mentioned below. The risks identified for the period are also the same as the ones identified in the combined financial statements for the year ended 30 September 2023.

(a) Principal versus agent consideration

The performance obligation in some Entities is to arrange for the specified goods or services to the customer where the Entities do not control the specified goods or services before those goods or services are transferred to the customer. When the Entities satisfy a performance obligation, the Entities recognise revenue which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party. The Entities' primary obligation is to arrange for specific goods or services, and accordingly, acts as agent on those specified goods or services since:

- the Entities does not control the specified goods or services provided by other parties before the goods or services are transferred to the customer. For all the goods imported, the customer is mentioned in the bill of lading thus confirming the goods are restricted to that end customer;
- primary responsibility for the fulfilling the promise does not rest with the Entities;
- the Entities do not bear any inventory risk since the ownership of the infrastructure, as set out in the contracts;
- the Entities do not have the price risk on the contracts; and
- customers retain the right to remove the Entities to provide goods or services based on its convenience without default from the Entities.

(b) Defined benefit plans

The cost of the defined benefit plan is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers a full yield curve which is determined by reference to market yields on high quality US Corporate bonds, which lies within the acceptable range of bond yields in the region. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases and pension increases are based on expected future inflation rates for UAE and Entities strategy. Further details about these obligations are provided in Note 13.

4 Property and equipment

	30 June 2024 AED (Unaudited)	30 September 2023 AED (Audited)
Property and equipment at net carrying value	16,486,578	20,154,559

Movement of the property and equipment is as follows:

	2024 AED (Unaudited)	2023 AED (Audited)
At 1 October	20,154,559	19,544,925
Additions	7,665,057	13,534,852
Disposals	(320,110)	(1,908,543)
Depreciation charge for the period/year	(11,012,928)	(11,016,675)
At 30 June/30 September	16,486,578	20,154,559

The depreciation charge for the nine-month period has been allocated in the special purpose condensed combined interim statement of profit or loss as follows:

	30 June 2024 AED (Unaudited)	30 June 2023 AED (Unaudited and not reviewed)
Direct costs (Note 17)	10,242,432	7,749,468
General and administrative expenses (Note 18)	770,496	578,713
	11,012,928	8,328,181

5 Right-of-use assets and lease liabilities

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period/year:

	2024 AED (Unaudited)	2023 AED (Audited)
At 1 October	105,108,100	85,826,442
Additions	3,426,234	63,001,331
Disposals	-	(536,660)
Amortization charge for the period/year	(30,468,970)	(43,183,013)
At 30 June/30 September	78,065,364	105,108,100

5 Right-of-use assets and lease liabilities (continued)

Set out below, is the carrying amount of the Entities' lease liabilities and the movement during the period/year:

	2024 AED (Unaudited)	2023 AED (Audited)
At 1 October	96,195,360	76,605,240
Additions	3,426,234	64,580,274
Accretion of interest	2,257,034	3,220,806
Payments	(30,825,042)	(48,210,960)
At 30 June/30 September	71,053,586	96,195,360

Lease liabilities are allocated in the special purpose condensed combined interim statement of financial position as follows:

	30 June 2024 AED (Unaudited)	30 September 2023 AED (Audited)
Non-current	32,906,398	56,663,360
Current	38,147,188	39,532,000
	71,053,586	96,195,360

6 Intangible assets

	30 June 2024 AED (Unaudited)	30 September 2023 AED (Audited)
Intangible assets at net carrying value	213,147	285,534

Movement of the intangible assets is as follows:

	2024 AED (Unaudited)	2023 AED (Audited)
At 1 October	285,534	68,784
Additions	-	289,550
Amortization charge for the period/year	(72,387)	(72,800)
At 30 June/30 September	213,147	285,534

7 Investment in a joint venture

During 30 June 2024, the Ultimate Parent Company transferred its 30% equity interest in KSA JV, having a carrying amount of AED 9,717,881 and accounted for as an equity-accounted joint venture, to A D N H Catering L.L.C – O.P.C, in exchange for a purchase consideration of AED 9,785 (SAR 10,000), with a transaction close date of 30 June 2024. The excess of carrying amount of the investment acquired over the purchase consideration has been recorded as "Capital contribution" within equity in the special purpose condensed combined interim statement of financial position.

			Ownership interest	
Name of joint venture	**Area of domicile**	**Principal activities**	**30 June 2024**	**30 September 2023**
Compass Arabia Co Ltd (KSA JV)	Kingdom of Saudi Arabia	Catering	**30%**	-

The movement in investment in a joint venture is as follows:

	30 June 2024 AED (Unaudited)
Transferred from the Ultimate Parent Company	9,717,881
Less: consideration payable (recognised within 'Due to related parties')	(9,785)
Capital contribution	9,708,096

The following is the summarised financial position of Compass Arabic Co Ltd and the reconciliation of summarised financial information to the carrying amount of the interest in JV recognised in the special purpose condensed combined interim financial information:

	30 June 2024 AED (Unaudited)
Non-current assets	10,883,885
Cash and cash equivalents	5,595,456
Other current assets (excluding cash)	89,218,258
Financial liabilities (excluding trade payables)	(6,242,543)
Other current liabilities (including trade payables)	(60,205,257)
Other non-current liabilities	(6,856,862)
Net assets	32,392,937
Entities' share of net assets	30%
Carrying amount of equity accounted investment	9,717,881

8 Inventories

	30 June 2024 AED (Unaudited)	30 September 2023 AED (Audited)
Food supplies	10,303,969	12,634,553
Operating supplies	3,252,250	3,170,479
	13,556,219	15,805,032
Less: provision for impairment of slow moving inventories	(3,709,497)	(2,572,503)
	9,846,722	13,232,529

Inventories recognised as an expense during the period ended 30 June 2024 amounted to AED 442,342,462 (30 June 2023: AED 609,277,268) and were included in direct costs (Note 17).

9 Trade and other receivables

	30 June 2024 AED (Unaudited)	30 September 2023 AED (Audited)
Trade receivables	527,539,481	637,023,894
Less: provision for impairment of trade receivables	(31,617,237)	(31,617,237)
	495,922,244	605,406,657
Rebates receivable	-	34,147,304
Prepayments	14,219,762	12,372,010
Contract assets	116,660,619	24,725,515
Other receivables	12,178,405	10,952,375
	638,981,030	687,603,861

The movement on allowance for expected credit losses are as follows:

	2024 AED (Unaudited)	2023 AED (Audited)
At 1 October	31,617,237	18,249,704
Charge during the period/year	-	17,576,077
Write-off	-	(4,208,544)
At 30 June/30 September	31,617,237	31,617,237

The total impact of the provision for impairment of financial assets in the profit and loss for the nine-months ended 30 June 2024 is Nil (30 June 2023: reversal of provision for impairment of financial assets is AED 7,074).

9 Trade and other receivables (continued)

Trade receivables ageing (gross):

	30 June 2024 AED (Unaudited)	30 September 2023 AED (Audited)
Not due	188,430,860	232,807,043
Due for 1 to 60 days	164,517,441	154,483,556
Due for 61 to 90 days	38,284,429	62,962,075
Due for 91 to 120 days	24,936,373	43,576,818
Due for 121 to 365 days	79,745,222	133,177,508
More than 365 days	31,625,156	10,016,894
	527,539,481	637,023,894

The average credit period on sale of goods or services is 45 - 60 days.

No interest is charged on trade and other receivables. The Entities have adopted a policy of dealing with only creditworthy counterparties. Adequate credit assessment is made before entering into a contract with a customer. Out of the total trade receivables balance at the end of the period, AED 259,342,537 representing 49% of total trade receivables is due from four major customers (2023: four customers amounting to AED 346,598,786 representing 54% of total trade receivables). The Entities consider these customers to be reputable and creditworthy. Trade receivables include certain balances with related parties.

10 Cash and bank balances

	30 June 2024 AED (Unaudited)	30 September 2023 AED (Audited)
Cash on hand	479,042	1,057,363
Cash at bank	110,384,046	164,943,711
	110,863,088	166,001,074

Term deposits represent deposits during the period with original maturities of less than 3 months with local banks. The term deposits carried average interest rates of 5% per annum. Finance income recorded during the period amounted to AED 2,862,956 (30 June 2023: AED 1,213,049). At the reporting date, all the term deposits were matured.

11 Share capital

	30 June 2024 AED (Unaudited)	30 September 2023 AED (Audited)
Abu Dhabi National Hotels Company P.J.S.C	-	10,429,500
Compass Entities International B.V	-	10,020,500
ADNH Catering Limited (Owner of A D N H Catering L.L.C – O.P.C)	20,000,000	-
A D N H Catering L.L.C – O.P.C (Owner of A D N H Catering L.L.C)	300,000	-
A D N H Catering L.L.C – O.P.C (Owner of A D N H Compass L.L.C. SP)	150,000	-
	20,450,000	20,450,000

Number of shares

Abu Dhabi National Hotels Company P.J.S.C	-	10,404
Compass Entities International B.V	-	9,996
ADNH Catering Limited	20,000	-
A D N H Catering L.L.C – O.P.C	300	-
A D N H Catering L.L.C – O.P.C	100	-
	20,400	20,400

All shares rank equally with regard to the Entities residual assets. Holder of these shares is entitled to dividends as declared from time to time and entitled to one vote per share at general meetings of the Entities.

During the period ended 30 June 2024, the Entities have declared dividends of AED 223,107,603 (30 September 2023: AED 239,992,814). The dividend per share paid by each of the legal entity is as follows:

2023 **Legal entity name**	**Total shares**	**Dividend declared AED**	**Dividend per share AED**
ADNH Catering LLC – OPC (previously known as Abu Dhabi National Hotels Company - Compass Middle East LLC)	20,000	214,350,828	10,718
ADNH Catering LLC (Previously known as Abu Dhabi National Hotels Compass Emirates (L.L.C))	300	23,881,614	79,605
A D N H Compass LLC	100	1,760,372	17,604
	20,400	239,992,814	107,927

11 Share capital (continued)

2024 **Legal entity name**	**Total shares**	**Dividend declared AED**	**Dividend per share AED**
ADNH Catering LLC – OPC (previously known as Abu Dhabi National Hotels Company - Compass Middle East LLC)	20,000	211,435,726	10,572
ADNH Catering LLC (Previously known as Abu Dhabi National Hotels Compass Emirates (L.L.C))	300	8,825,607	29,419
A D N H Compass LLC	100	2,846,270	28,463
	20,400	223,107,603	68,454

12 Statutory reserve and capital contribution

(a) Statutory reserve

In accordance with the UAE Federal Decree Law No. 32 of 2021, 5% of the profit for the year is to be transferred to a statutory reserve until such reserve reaches 50% of the Entities' issued and fully paid-up capital. This reserve is not available for distribution. No transfers were made in the current period (2023: Nil) as the reserve has reached 50% of the Entities' issued and fully paid-up capital.

(b) Capital contribution

During the period, the Group declared a dividend of AED 223,107,603 (30 September 2023: AED 239,992,814) out of which AED 61,553,802 (30 September 2023: Nil) was converted to capital contribution.

Further, during the Period, the Entities recorded investment in the joint venture (KSA JV) of AED 9,708,096 as 'capital contribution' within the equity (Note 7).

13 Provision for employees' end of service benefits

The Entities provides end of service benefits (defined benefit obligations) to its eligible employees. The actuarial valuation of the present value of the defined benefit obligations was carried out by a registered actuary in the UAE. The Entities provide end of service benefits (defined benefit obligations) to its eligible employees.

13 Provision for employees' end of service benefits (continued)

	2024 AED (Unaudited)	2023 AED (Audited)
At 1 October	110,272,285	117,518,032
Service costs	11,515,544	23,163,874
Interest expense	4,236,544	
Paid during the period/year	(11,788,465)	(30,416,252)
Loss due to changes in assumptions	578,234	-
Experience losses	566,935	-
Transfer from a related party	-	6,631
At 30 June/30 September	115,381,077	110,272,285

The total impact in the special purpose condensed combined interim statement of comprehensive income is AED 1,145,169. The total impact in the profit and loss for the nine-months ended 30 June 2024 is AED 15,752,088 (30 June 2023: AED 17,596,136).

The provision is recognised based on the following significant assumptions:

	2024
Average annual rate of salary increases	4.25%
Average annual voluntary termination rate	14.54%
Discount rate	5.15%

Demographic assumptions for mortality, withdrawal and retirement were used in valuing the liabilities and benefits under the plan.

Sensitivity analysis

The liability would be higher by AED 2,999,908 had the discount rate used in the assumption been lower by 0.5% and the liability would be lower by AED 2,769,146 had the discount rate used in the assumption been higher by 0.5%. The liability would be higher by AED 2,769,146 had the salary rate used in the assumption been higher by 0.5% and the liability would be lower by AED 2,653,765 had the salary increase rate used in the assumption been lower by 0.5%. The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant.

Risks and uncertainties

a) Volatility, cashflow and economic risks

The volatility and cash-flow risks arise if the Entities are not able to generate sufficient operational cash surplus to fund employee benefit liabilities when they fall due.

13 Provision for employees' end of service benefits (continued)

Risks and uncertainties (continued)

b) Regulatory risk

The risk arises if the regulator issues guidance on the assumptions to be used in actuarial calculation, which might significantly change the percentage used as assumptions such as the discount rate or the future salary growth. The risk is compounded if the Entities have no scope to manage this differential between salary escalation and discount rate.

There are further risks that regulators may impose other unexpected requirements, such as valuation of accrued annual leave, or other employee benefits, not currently foreseen.

c) Liquidity and balance sheet risk

Regulators may discuss the moving of liabilities off-balance sheet, and/or to require some form of asset funding and matching of the liabilities. Regulators may do this to create their own bond markets and also to increase their local stock market liquidity and stability, thereby injecting stimulus into local money markets which may require the Entities to set up such schemes exactly when tighter economic circumstances prevail, which means that entities will have strained cash-flow at the very time when they need to both start funding such a scheme and meet existing operational cash-demands.

d) Increasing salary escalation

The Entities need to consider the long-term outlook of their future salary escalation policy, as well as macroeconomic factors such as inflation to avoid reduction of profitability of the Entities due to the increase in the defined benefit scheme cost.

e) Discount rate risk

The discount rate risk arises when the Schemes' return on assets is lower than the assumed discount rate, if any. Any shortfall in the attained investment return on the assets, if any, compared to the assumed discount rate would be recognised through other comprehensive income.

The Entities do not have any scheme assets, at the end of each reporting period, the interest cost is accrued to the Entities' profit & loss account as a proportion of the schemes' liability.

Pension contribution

The pension charge for the nine-month period ended 30 June 2024 is AED 847,498 (30 June 2023: AED 849,077).

14 Trade and other payables

	30 June 2024 AED (Unaudited)	30 September 2023 AED (Audited)
Trade payables	213,808,561	223,478,856
Accrued expenses	163,049,763	222,756,176
Other payables	59,775,792	63,341,091
	436,634,116	509,576,123

15 Related party balances and transactions

Related parties comprise the shareholder of the Entities, the directors and those enterprises over which the shareholder, the directors or the Entities can exercise control or significant influence, or which can significantly influence the Entities. In the ordinary course of business, the Entities receives goods and services from, and provides goods and services to, such enterprises on rates, terms and conditions agreed between the parties.

(a) Terms and conditions of transactions with related parties

The sales to and services from related parties are made at normal market prices. Outstanding balances at the period-end are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

For the period ended 30 June 2024 and the year ended 30 September 2023, the Entities have not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial period through examining the financial position of the related party and the market in which the related party operates.

15 Related party balances and transactions (continued)

(a) Terms and conditions of transactions with related parties (continued)

Balances with related parties reflected in the special purpose condensed combined interim statement of financial position are as follows:

	30 June 2024 AED (Unaudited)	30 September 2023 AED (Audited)
Due from related parties:		
Entities controlled by Parent		
Park Hyatt Abu Dhabi Hotels and Villas	791,922	14,131
The Ritz-Carlton Abu Dhabi, Grand Canal	751,444	1,450,650
Dubai Marina Hotel LLC	655,497	-
Al Ghazal Transport Company	452,354	114,941
Sofitel Hotel Dubai	432,264	-
MDD Hotel LLC	372,444	-
Kempinski The Boulevard Hotel	357,188	-
Kempinski Central Avenue Hotel	345,841	-
VDD Hotel	232,679	-
Sheraton Abu Dhabi Hotel & Resort	211,799	9,743
Radisson Blu Hotel and Resort Abu Dhabi	126,631	6,580
Radisson Blu Hotel Abu Dhabi Al Ain	123,513	18,796
Others	263,829	108,407
	5,117,405	1,723,248
Due to related parties		
Entities controlled by Parent		
Al Ghazal Transport Company	20,873,019	17,582,365
Sunshine Travel & Tours	1,368,415	3,628,957
The Ritz-Carlton Abu Dhabi, Grand Canal	67,311	331
Radisson Blu Hotel and Resort	22,008	-
Park Hyatt Abu Dhabi Hotels and Villas	4,500	-
GBR Holding	-	802,849
Others	-	161,590
Parent		
Abu Dhabi National Hotels Company PJSC	1,033,074	1,790,810
	23,368,327	23,966,902

15 Related party balances and transactions (continued)

Significant transactions with related parties included in the special purpose condensed combined interim statement of profit or loss are as follows:

	Type of transaction	30 June 2024 AED (Unaudited)	30 June 2023 AED (Unaudited and not reviewed)
Entities controlled by Parent			
Al Ghazal Transport Company	Purchases	25,323,189	28,008,174
The Ritz-Carlton Abu Dhabi, Grand Canal	Sales	3,319,399	1,526,817
Sunshine Travel & Tours	Purchases	1,931,989	7,314,719
Park Hyatt Abu Dhabi Hotels and Villas	Sales	1,898,286	1,281,653
Others	Purchases & Sales	4,495,755	74,903
Parent			
Abu Dhabi National Hotels Company PJSC	Purchases	1,234,288	1,718,638
Transfers of property and equipment		40,490	62,985
Key management compensation		6,949,077	6,464,617
Key management (employee benefits)		404,026	311,799
Number of key management personnel		9	9

During the nine-month period ended 30 June 2024, there were no loans extended to the directors of the Entities (year ended 30 September 2023: Nil).

16 Revenues

	30 June 2024 AED (Unaudited)	30 June 2023 AED (Unaudited and not reviewed)
Catering services	703,637,156	774,495,933
Manpower services	296,286,555	278,834,281
Fixed fee services	82,682,863	131,328,111
Food & beverage	97,348,144	192,624,558
Non-food supplies	13,205,315	15,323,247
Laundry	9,063,076	8,989,836
Other revenues	4,867,555	17,449,672
	1,207,090,664	1,419,045,638

16 Revenues (continued)

Timing of revenue recognition

	30 June 2024 AED (Unaudited)	30 June 2023 AED (Unaudited and not reviewed)
At a point in time	828,121,246	1,008,883,246
Over time	378,969,418	410,162,392
	1,207,090,664	1,419,045,638

(a) Contract assets

The Group has recognised the following contract assets:

	30 June 2024 AED (Unaudited)	30 June 2023 AED (Unaudited and not reviewed)
Contract assets (Note 9)	98,437,686	20,567,958

(b) Unsatisfied contracts

The aggregate amount of the transaction price allocated to the performance obligations of the Entities that are fully or partially unsatisfied as at 30 June 2024 is AED 205,102,322 (30 June 2023: AED 505,987,134). The Entities expects to recognise the unsatisfied performance obligations as revenue in the next 12 months reporting period of AED 163,577,772 (30 June 2023: AED 294,588,486).

17 Direct costs

	30 June 2024 AED (Unaudited)	30 June 2023 AED (Unaudited and not reviewed)
Staff costs	481,001,449	479,771,356
Cost of materials (Note 8)	442,342,462	609,277,268
Amortization of right-of-use assets (Note 5)	28,991,140	29,723,199
Transportation	18,201,241	16,264,640
Rent (short term)	16,035,378	16,222,767
Maintenance	12,808,245	19,173,091
Depreciation of property and equipment (Note 4)	10,242,432	7,749,468
Provision for impairment of slow-moving inventories (Note 8)	1,136,994	2,207,600
Licence fees	484,379	396,646
Insurance	482,948	519,476
Amortization of intangible assets (Note 6)	36,250	-
Others	22,453,391	32,106,899
	1,034,216,309	1,213,412,410

18 General and administrative expenses

	30 June 2024 AED (Unaudited)	30 June 2023 AED (Unaudited and not reviewed)
Staff costs	39,756,779	39,954,722
Maintenance	5,449,796	6,419,430
Amortization of right-of-use assets (Note 5)	1,477,830	1,566,812
License fees	848,194	3,046,780
Depreciation of property and equipment (Note 4)	770,496	578,713
Insurance	480,000	420,000
Rent (short term)	234,253	101,802
Transportation	37,525	53,864
Amortization of intangible assets (Note 6)	36,137	68,784
Hire charges	6,750	6,750
Others	2,712,968	3,741,948
	51,810,728	55,959,605

19 Income tax provision

The Entities' result incorporates the UAE Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses ("Law"). The Law stipulates an effective tax rate of 9% on taxable profits above AED 375,000 and is calculated on the Entities' outlook of the Law. Income tax expense recorded in the special purpose condensed combined interim statement of profit or loss comprises the following:

	30 June 2024 AED (Unaudited)	30 September 2023 AED (Audited)
Current tax	10,909,927	-

For determining the tax expense for the period, the accounting profit has been considered for tax purposes. The average effective tax rate is approximately 9%.

20 Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

	30 June 2024 AED (Unaudited)	30 September 2023 AED (Audited)
Financial assets:		
Trade and other receivables	624,761,268	675,231,851
Due from related parties	5,117,405	1,723,248
Cash and bank balances	110,863,088	166,001,074
	740,741,761	842,956,173
Financial liabilities		
Trade and other payables	436,634,116	509,576,123
Due to related parties	23,368,327	23,966,902
Lease liabilities	71,053,586	96,195,360
	531,056,029	629,738,385

For the purpose of the financial instrument's disclosure, non-financial assets have been excluded from 'trade and other receivables'.

21 Contingencies and commitments

	30 June 2024 AED (Unaudited)	30 September 2023 AED (Audited)
Bank guarantees	198,746,111	201,464,445
Within one year	5,591,626	4,169,462
Between one year and two years	12,820,741	12,838,997
Above two years	180,333,744	184,455,985
	198,746,111	201,464,444

Commitments

The estimated commitments contracted at 30 June 2024 amounts to AED 55.7 million (30 September 2023: AED 12.2 million).

22 Subsequent event

The Entities entered into an arrangement with a commercial bank for a revolving credit facility (unsecured) on 24 July 2024 for an amount of AED 250 million with an interest rate of EIBOR+1.45% for a period of three years which is extendable up to one year at the lenders discretion.

Annex 1B – Selected Unaudited Unreviewed pro forma statement of profit or loss of the Company for the nine-month period ended 30 June 2024

A D N H Catering Limited

Selected unaudited and unreviewed pro-forma statement of profit or loss for the nine-month period ended 30 June 2024

A D N H Catering Limited

1. Selected unaudited and unreviewed pro-forma statement of profit or loss of A D N H Catering Limited

This selected unaudited and unreviewed pro-forma statement of profit or loss for the nine-month period ended 30 June 2024 (the "selected unaudited and unreviewed pro-forma statement of profit or loss") should be read in conjunction with accompanying explanatory notes and the historical financial information included elsewhere in this Prospectus as mentioned below.

Background

A D N H Catering Limited (the "**Company**" or "**ListCo**") was incorporated on 22 June 2024 as a private limited company, registered under the commercial license number 19524, pursuant to the Abu Dhabi Global Market Companies Regulations 2020. The Company was established for the purpose of serving as a holding company of the following entities (together with the Company, herein referred to as the "**Group**"):

- ADNH Catering LLC OPC ("**ADNHC Abu Dhabi**") previously known as Abu Dhabi National Hotels Compass Middle East LLC;
- ADNH Catering L.L.C. ("**ADNHC Dubai**") previously known as Abu Dhabi National Hotels Compass Emirates LLC; and
- ADNH Compass L.L.C. SP ("**ADNHC Sharjah**").

The selected unaudited and unreviewed pro-forma statement of profit or loss is prepared in connection with the listing of shares of the Company on the ADX.

The selected unaudited and unreviewed pro-forma statement of profit or loss set forth below, has been derived from the Company's condensed consolidated interim statement of profit or loss for the nine-month period ended 30 June 2024 (Unaudited) and from the special purpose condensed combined statement of profit or loss for the nine-month period ended 30 June 2024 (Unaudited), included elsewhere in this Prospectus and gives effect to the contractual arrangements, as described under "Transactions", as if they had occurred as at 1 October 2023.

The selected unaudited and unreviewed pro-forma statement of profit or loss is presented for illustrative purposes only and is not intended to represent or to be indicative of the results of operations which would have been reported by the Company had the Transactions (as defined below) occurred as of the dates indicated or what its results of operations would be for any future period. The selected unaudited and unreviewed pro forma statement of profit or loss should be read in conjunction with "Annex 1A Financial Statements - "Condensed consolidated interim financial information of the Company for the nine-month period ended 30 June 2024 (Unaudited)"; and "Review report and special purpose condensed combined interim financial information for the nine-month period ended 30 June 2024 (Unaudited)"]

The selected unaudited and unreviewed pro-forma statement of profit or loss is prepared in accordance with the estimates, assumptions and judgements as described in the accompanying notes 1 and 3 and gives effect to the adjustments to the selected unaudited and unreviewed pro-forma statement of profit or loss that are (i) directly attributable to the Transactions (as defined below); (ii) expected to have a continuing impact on the financial results of the Company; and (iii) factually supportable.

The selected unaudited and unreviewed pro-forma statement of profit or loss is presented in United Arab Emirates Dirham ("AED"), which is the Company's functional and presentation currency.

A D N H Catering Limited

1. Selected unaudited and unreviewed pro-forma statement of profit or loss of A D N H Catering Limited (continued)

Transactions:

As of 30 June 2024, the following transactions were completed between Abu Dhabi National Hotels Company PJSC (the "**Parent**"), ListCo, ADNHC Abu Dhabi, ADNHC Dubai and ADNHC Sharjah:

- On 31 March 2024, the Parent increased its equity interest in ADNHC Dubai, ADNHC Sharjah and ADNHC Abu Dhabi from 51% to 100%;
- On 11 June 2024 and 26 June 2024, the Parent transferred 100% equity interest in ADNHC Dubai and ADNHC Sharjah entities, respectively, to ADNHC Abu Dhabi for a total consideration of AED 20,000, with transaction close date of 30 June 2024;
- On 30 June 2024, the Parent transferred its 100% equity interest in ADNHC Abu Dhabi to the Company. This transfer of ADNHC Abu Dhabi from the Parent to ListCo has no economic substance and accordingly, the condensed consolidated interim financial information of the Company as at and for the nine-month period ended 30 June 2024 (Unaudited) has been prepared on the basis that the transfer of ADNHC Abu Dhabi from the Parent to the Company is in substance a continuation of ADNHC Abu Dhabi combined under ListCo; and
- In the condensed consolidated interim financial information of the Company as at and for the nine-month period ended 30 June 2024 (Unaudited), ADNHC Abu Dhabi's acquisition of ADNHC Sharjah and ADNHC Dubai has been considered as common control transactions and therefore management has elected to apply the pooling of interest method of accounting for these acquisitions. As such, the excess of the fair value of the acquired net assets as at 31 March 2024 over the purchase consideration has been recorded as capital contribution within equity in the condensed consolidated interim statement of financial information of the Company as at and for the nine-month period ended 30 June 2024 (Unaudited).

The transactions as described above are herein collectively referred to as the "**Transactions**".

A D N H Catering Limited

1. Selected unaudited and unreviewed pro-forma statement of profit or loss of A D N H Catering Limited (continued)

		Pro forma adjustments		
	Condensed consolidated interim financial information for the nine-month period ended 30 June 2024	**Profit or loss for ADNHC Dubai & ADNHC Sharjah for the six-month period ended 31 March 2024)**	**Purchase Price Allocation related adjustments**	**Pro-forma**
	(Unaudited) *(Note 2)*	**(Unaudited and Unreviewed)** *(Note 3 (i))*	**(Unaudited and Unreviewed)** *(Note 3 (ii))*	**(Unaudited and Unreviewed)**
	AED	**AED**	**AED**	**AED**
Revenues	1,041,896,559	165,194,105	-	1,207,090,664
Direct costs	(881,325,789)	(152,890,520)	-	(1,034,216,309)
Gross profit	**160,570,770**	**12,303,585**	**-**	**172,874,355**
General and administrative expenses	(50,734,435)	(3,577,540)	(5,002,503)	(59,314,478)
Other income/(expense), net	188,560	(111,361)	-	77,199
Finance income	2,862,956	-	-	2,862,956
Finance costs	(1,930,171)	(326,863)	-	(2,257,034)
Profit for the period before tax	**110,957,680**	**8,287,821**	**(5,002,503)**	**114,242,998**
Income tax (expense)/credit	(10,077,148)	(607,795)	449,968	(10,234,975)
Profit for the period	**100,880,532**	**7,680,026**	**(4,552,535)**	**104,008,023**
Profit attributable to:				
Equity holders of the Parent	**100,880,532**	**7,680,026**	**(4,552,535)**	**104,008,023**

Sheikh Ahmed Mohammed Sultan Suroor Aldhahiri
Director

Khalid Anib
Director

Clive William Cowley
Chief Executive Officer

2. Historical financial information of operations of the Group

Historical financial information about the Group for the nine-month period ended 30 June 2024 has been derived from the condensed consolidated interim statement of profit or loss of the Company for the nine-month period ended 30 June 2024 (Unaudited).

3. Adjustments to the selected unaudited and unreviewed pro-forma statement of profit or loss

The selected unaudited and unreviewed pro-forma statement of profit or loss is prepared in accordance with the following estimates, assumptions, and judgments. There can be no assurance that the assumptions used in the preparation of the selected unaudited and unreviewed pro-forma statement of profit or loss will prove to be correct.

Since the condensed consolidated interim financial information of the Company as at and for the nine-month period ended 30 June 2024 (Unaudited) includes the profit or loss for ADNHC Dubai and ADNHC Sharjah for three months from 31 March 2024 to 30 June 2024, therefore, the following adjustments have been reflected in the selected unaudited and unreviewed pro-forma statement of profit or loss to include the profit or loss of ADNHC Dubai and ADNHC Sharjah for the six months from 1 October 2023 to 31 March 2024:

(i) The profit or loss for the six-month period from 1 October 2023 to 31 March 2024 of ADNHC Dubai and ADNHC Sharjah has been included assuming the Transactions had taken place on 1 October 2023 by deriving these values from the underlying workings of the special purpose condensed combined interim statement of profit or loss (Unaudited); and

(ii) (a) Additional amortisation of intangible assets amounting to AED 5,002,503 which has been calculated for the six months from 1 October 2023 to 31 March 2024 assuming as if the fair value adjustments reported in the condensed consolidated interim financial information of the Company as of and for the nine-month period ended 30 June 2024 (Unaudited) existed on 1 October 2023; and

(b) Additional unwinding of deferred tax liability amounting to AED 449,968 as a result of the purchase price allocation adjustment which has been derived from the condensed consolidated interim statement of profit or loss of the Company for the nine-month period ended 30 June 2024 (Unaudited) assuming that the Transactions took place on 1 October 2023.

A purchase price allocation exercise was not conducted separately for the purposes of determining the above adjustment to the selected unaudited and unreviewed pro-forma statement of profit or loss. The related values have therefore been derived from the condensed consolidated interim financial information of the Company as at and for the nine-month period ended 30 June 2024 (Unaudited) assuming the Transactions had taken place on 1 October 2023 (as mentioned above). The Company while applying capital reorganisation principles for the transfer of ADNHC Abu Dhabi used the purchase price allocation values recognised in the consolidated financial statements of the Parent when the Parent acquired ADNHC Abu Dhabi, ADNHC Sharjah and ADNHC Dubai.

A D N H Catering Limited

4. Approval of the selected unaudited and unreviewed pro-forma statement of profit or loss

The selected unaudited and unreviewed pro-forma statement of profit or loss was approved by the Board of Directors on 05 September 2024.

Annex 2 – Articles of Association

ARTICLES OF ASSOCIATION

PUBLIC COMPANY LIMITED BY SHARES

A D N H CATERING PLC

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PART 1

INTERPRETATION AND LIMITATION OF LIABILITY

Defined terms

1. In the articles, unless the context requires otherwise—

"alternate" or "alternate director" has the meaning given in article 25,

"appointor" has the meaning given in article 26,

"articles" means the company's articles of association,

"bankruptcy" includes individual insolvency proceedings in any jurisdiction,

"call" has the meaning given in article 51,

"call notice" has the meaning given in article 51,

"certificate" means a paper certificate evidencing a person's title to specified shares or other securities,

"certificated" in relation to a share, means that it is not an uncertificated share,

"chairman" has the meaning given in article 13,

"chairman of the meeting" has the meaning given in article 31,

"Companies Regulations" means the Companies Regulations 2020,

"company's lien" has the meaning given in article 49,

"director" means a director of the company, and includes any person occupying the position of director, by whatever name called,

"distribution recipient" has the meaning given in article 69,

"document" includes, unless otherwise specified, any document sent or supplied in electronic form,

"electronic form" has the meaning given in section 1023 of the Companies Regulations,

"fully paid" in relation to a share, means that the issue price to be paid to the company in respect of that share have been paid to the company,

"Governance Regulations" means the Chairman of the Authority's Board of Directors' Decision No. (3/Chairman) of 2020 concerning Approval of Joint Stock Companies Governance Guide (as amended from time to time). In the event of any conflict between the provisions of the of the Governance Regulations and the Mandatory Provisions of the Companies Regulations, the Mandatory Provisions of the Companies Regulations shall prevail, "hard copy form" has the meaning given in section 1023 of the Companies Regulations,

"holder" in relation to shares means the person whose name is entered in the register of members as the holder of the shares,

"instrument" means a document in hard copy form,

"lien enforcement notice" has the meaning given in article 50,

"Mandatory Provisions of the Companies Regulations" are the mandatory provisions set out under the Companies Regulations that the company, directors and/or the members of the company may not exclude, disapply or limit its legal effect,

"member" has the meaning given in section 117 of the Companies Regulations,

"ordinary resolution" has the meaning given in section 298 of the Companies Regulations,

"paid" means paid or credited as paid,

"participate", in relation to a directors' meeting, has the meaning given in article 10,

"partly paid" in relation to a share means that part of that share's issue price that has not been paid to the company,

"proxy notice" has the meaning given in article 36,

"Polices and Charters" are the polices and charters of the company, as may be amended from time to time, that will be approved by the directors, or as the case may be, by the members of the company, as required by each policy and/or charter or stipulated in the Governance Regulations. The Policies and Charters constitute an integral part of this articles, and in the event of any conflict between the provisions of the Polices and Charters and the articles, the provisions of the Polices and Charters shall prevail, unless the Mandatory Provisions of the Companies Regulations provide otherwise

"securities seal" has the meaning given in article 45,

"shares" means shares in the company,

"special resolution" has the meaning given in section 299 of the Companies Regulations,

"subsidiary" has the meaning given in section 1015 of the Companies Regulations,

"transmittee" means a person entitled to a share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law,

"uncertificated" in relation to a share means that, by virtue of legislation (other than section 715 of the Companies Regulations) permitting title to shares to be evidenced and transferred without a certificate, title to that share is evidenced and may be transferred without a certificate, and "writing" means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

Unless the context otherwise requires, other words or expressions contained in these articles bear the same meaning as in the Companies Regulations as in force on the date when these articles become binding on the company.

Liability of members

2. The liability of the members is limited to the amount, if any, unpaid on the shares held by them.

PART 2

DIRECTORS

DIRECTORS' POWERS AND RESPONSIBILITIES

Directors' general authority

3. Subject to the articles and the Governance Regulations, the directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company.

Members' reserve power

4. (1) The members may, by special resolution, direct the directors to take, or refrain from taking, specified action.

(2) No such special resolution invalidates anything which the directors have done before the passing of the resolution.

Applicability of the Governance Regulations

5. The Governance Regulations shall apply in its entirety on the company. Any conflict between the provisions of the Governance Regulations and the articles, the Governance Regulations shall prevail, unless the Mandatory Provisions of the Companies Regulations provides otherwise.

Directors may delegate

6. (1) Subject to the articles and the Governance Regulations, the directors may delegate any of the powers which are conferred on them under the articles—

(a) to such person or committee,

(b) by such means (including by power of attorney),

(c) to such an extent,

(d) in relation to such matters or territories, and

(e) on such terms and conditions,

as they think fit.

(2) If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.

(3) The directors may revoke any delegation in whole or part or alter its terms and conditions.

Committees

7. (1) Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the articles which govern the taking of decisions by directors.

(2) The directors, or as the case may be, the members of the company, may make Polices and Charters for all or any committees which can be amended from time to time, which prevail over rules derived from the articles if they are not consistent with them unless the Mandatory Provisions of the Companies Regulations provide otherwise.

DECISION-MAKING BY DIRECTORS

Directors to take decisions collectively

8. Decisions of the directors may be taken—

(a) at a directors' meeting, or

(b) in the form of a directors' written resolution.

Calling a directors' meeting

9. (1) Any director may call a directors' meeting.

(2) The company secretary must call a directors' meeting if a director so requests.

(3) A directors' meeting is called by giving notice of the meeting to the directors.

(4) Notice of any directors' meeting must indicate—

(a) its proposed date and time,

(b) where it is to take place, and

(c) if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.

(5) Notice of a directors' meeting must be given to each director.

(6) Notice of a directors' meeting need not be given to directors who waive their

entitlement to notice of that meeting, by giving notice to that effect to the company not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

Participation in directors' meetings

10. (1) Subject to the articles and the Governance Regulations, directors participate in a directors' meeting, or part of a directors' meeting, when—

(a) the meeting has been called and takes place in accordance with the articles and the Governance Regulations, and

(b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.

(2) In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.

(3) If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

Quorum for directors' meetings

11. (1) At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.

(2) The quorum for directors' meetings may be fixed from time to time by a decision of the directors, but it must never be less than two, and unless otherwise fixed it is two.

Meetings where total number of directors less than quorum

12. (1) This article applies where the total number of directors for the time being is less than the quorum for directors' meetings.

(2) If there is only one director, that director may appoint sufficient directors to make up a quorum or call a general meeting to do so.

(3) If there is more than one director—

(a) a directors' meeting may take place, if it is called in accordance with the articles and the Governance Regulations and at least two directors participate in it, with a view to appointing sufficient directors to make up a quorum or calling a general meeting to do so, and

(b) if a directors' meeting is called but only one director attends at the appointed date and time to participate in it, that director may appoint sufficient directors to make up a quorum or call a general meeting to do so.

Chairing directors' meetings

13. (1) The directors may appoint a director to chair their meetings.

(2) The person so appointed for the time being is known as the chairman.

(3) The directors may appoint other directors as deputy or assistant chairmen to chair directors' meetings in the chairman's absence.

(5) If neither the chairman nor any director appointed generally to chair directors' meetings in the chairman's absence is participating in a meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it.

Voting at directors' meetings: general rules

14. (1) Subject to the articles and the Governance Regulations, a decision is taken at a directors' meeting by a majority of the votes of the participating directors.

(2) Subject to the articles and the Governance Regulations, each director participating in a directors' meeting has one vote.

(3) Subject to the articles and the Governance Regulations, if a director has an interest in an actual or proposed transaction or arrangement with the company—

(a) that director and that director's alternate may not vote on any proposal relating to it, but

(b) this does not preclude the alternate from voting in relation to that transaction or arrangement on behalf of another appointor who does not have such an interest.

Chairman's casting vote at directors' meetings

15. (1) If the numbers of votes for and against a proposal are equal, the chairman or other director chairing the meeting has a casting vote.

(2) But this does not apply if, in accordance with the articles, the chairman or other director is not to be counted as participating in the decision-making process for quorum or voting purposes.

Alternates voting at directors' meetings

16. A director who is also an alternate director has an additional vote on behalf of each appointor who is—

(a) not participating in a directors' meeting, and

(b) would have been entitled to vote if they were participating in it.

Conflicts of interest

17. (1) If a directors' meeting, or part of a directors' meeting, is concerned with an actual or proposed transaction or arrangement with the company in which a director is interested, that director is not to be counted as participating in that meeting, or part of a meeting, for quorum or voting purposes.

(2) But if paragraph (3) applies, a director who is interested in an actual or proposed transaction or arrangement with the company is to be counted as participating in a decision at a directors' meeting, or part of a directors' meeting, relating to it for quorum and voting purposes.

(3) This paragraph applies when—

(a) the company by ordinary resolution disapplies the provision of the articles which would otherwise prevent a director from being counted as participating in, or voting at, a directors' meeting,

(b) the director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest, or

(c) the director's conflict of interest arises from a permitted cause.

(4) For the purposes of this article, the following are permitted causes—

(a) a guarantee given, or to be given, by or to a director in respect of an obligation incurred by or on behalf of the company or any of its subsidiaries,

(b) subscription, or an agreement to subscribe, for shares or other securities of the company or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such shares or securities, and

(c) arrangements pursuant to which benefits are made available to employees and directors or former employees and directors of the company or any of its subsidiaries which do not provide special benefits for directors or former directors.

(5) Subject to paragraph (6), if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any director other than the chairman is to be final and conclusive.

(6) If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman, the question is to be decided by a decision of the directors at that meeting, for which purpose the chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

Proposing directors' written resolutions

18. (1) Any director may propose a directors' written resolution.

(2) The company secretary must propose a directors' written resolution if a director so requests.

(3) A directors' written resolution is proposed by giving notice of the proposed resolution to the directors.

(4) Notice of a proposed directors' written resolution must indicate—

(a) the proposed resolution, and

(b) the time by which it is proposed that the directors should adopt it.

(5) Notice of a proposed directors' written resolution must be given in writing to each director.

(6) Any decision which a person giving notice of a proposed directors' written resolution takes regarding the process of adopting that resolution must be taken reasonably in good faith.

Adoption of directors' written resolutions

19. (1) A proposed directors' written resolution is adopted when all the directors who would have been entitled to vote on the resolution at a directors' meeting have signed one or more copies of it, provided that those directors would have formed a quorum at such a meeting.

(2) It is immaterial whether any director signs the resolution before or after the time by which the notice proposed that it should be adopted.

(3) Once a directors' written resolution has been adopted, it must be treated as if it had been a decision taken at a directors' meeting in accordance with the articles and the Governance Regulations.

(4) The company secretary must ensure that the company keeps a record, in writing, of all directors' written resolutions for at least ten years from the date of their adoption.

Directors' discretion to make further rules

20. Subject to the articles and the Governance Regulations, the directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to directors.

ELECTION OF DIRECTORS

Methods of electing directors

21. Any person who is willing to act as a director, and is permitted by law to do so, may be elected to be a director in accordance with the Governance Regulations.

Termination of director's appointment

22. Subject to the Governance Regulations, a person ceases to be a director as soon as—

(a) that person ceases to be a director by virtue of any provision of the Companies Regulations and the Governance Regulations or is prohibited from being a director by law,

(b) that person becomes bankrupt,

(c) a composition is made with that person's creditors generally in satisfaction of that person's debts,

(d) a registered medical practitioner who is treating that person gives a written opinion to the company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months,

(e) by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have,

(f) notification is received by the company from the director that the director is resigning from office as director, and such resignation has taken effect in accordance with its terms.

Directors' remuneration

23. (1) Directors may undertake any services for the company that the directors decide.

(2) Directors are entitled to such remuneration as per these articles and the Governance Regulations—

(a) for their services to the company as directors, and

(b) for any other service which they undertake for the company.

(3) Subject to the articles and the Governance Regulations, a director's remuneration may—

(a) take any form, and

(b) include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director.

(4) Unless the directors decide otherwise, directors' remuneration accrues from day to day.

(5) Unless the directors decide otherwise, directors are not accountable to the company for any remuneration which they receive as directors or other officers or employees of the company's subsidiaries or of any other body corporate in which the company is interested.

Directors' expenses

24. The company may pay any reasonable expenses which the directors properly incur in connection with their attendance at—

(a) meetings of directors or committees of directors,

(b) general meetings, or

(c) separate meetings of the holders of any class of shares or of debentures of the company,

or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the company.

ALTERNATE DIRECTORS

Appointment and removal of alternates

25. (1) Any director (the "appointor") may appoint as an alternate any other director, or any other person approved by resolution of the directors, to—

(a) exercise that director's powers, and

(b) carry out that director's responsibilities,

in relation to the taking of decisions by the directors in the absence of the alternate's appointor.

(2) Any appointment or removal of an alternate must be effected by notice in writing to the company signed by the appointor, or in any other manner approved by the directors.

(3) The notice must—

(a) identify the proposed alternate, and

(b) in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the director giving the notice.

Rights and responsibilities of alternate directors

26. (1) An alternate director has the same rights, in relation to any directors' meeting or directors' written resolution, as the alternate's appointor.

(2) Except as the articles specify otherwise, alternate directors—

(a) are deemed for all purposes to be directors,

(b) are liable for their own acts and omissions,

(c) are subject to the same restrictions as their appointors, and

(d) are not deemed to be agents of or for their appointors.

(3) A person who is an alternate director but not a director—

(a) may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's appointor is not participating), and

(b) may sign a written resolution (but only if it is not signed or to be signed by that person's appointor).

No alternate may be counted as more than one director for such purposes.

(4) An alternate director is not entitled to receive any remuneration from the company for serving as an alternate director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the company.

Termination of alternate directorship

27. An alternate director's appointment as an alternate terminates—

(a) when the alternate's appointor revokes the appointment by notice to the company in writing specifying when it is to terminate,

(b) on the occurrence in relation to the alternate of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a director,

(c) on the death of the alternate's appointor, or

(d) when the alternate's appointor's appointment as a director terminates

PART 3

DECISION-MAKING BY MEMBERS

ORGANISATION OF GENERAL MEETINGS

Members can call general meeting if not enough directors

28. If—

(a) the company has fewer than two directors, and

(b) the director (if any) is unable or unwilling to appoint sufficient directors to make up a quorum or to call a general meeting to do so, then two or more members may call a general meeting (or instruct the company secretary to do so) for the purpose of appointing one or more directors.

Attendance and speaking at general meetings

29. (1) A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.

(2) A person is able to exercise the right to vote at a general meeting when—

(a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and

(b) that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.

(3) The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.

(4) In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.

(5) Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

Quorum for general meetings

30. No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum. The quorum for general meetings shall be subject to the Governance Regulations.

Chairing general meetings

31. (1) If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.

(2) If the directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start—

(a) the directors present, or

(b) if no directors are present), the meeting,

must appoint a director or member to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.

(3) The person chairing a meeting in accordance with this article is referred to as "the chairman of the meeting".

Attendance and speaking by directors and non-members

32. (1) Directors may attend and speak at general meetings, whether or not they are members.

(2) The chairman of the meeting may permit other persons who are not—

(a) members of the company, or

(b) otherwise entitled to exercise the rights of members in relation to general meetings, to attend and speak at a general meeting.

Adjournment

33. (1) Subject to the Governance Regulations, if the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it.

(2) The chairman of the meeting may adjourn a general meeting at which a quorum is present if—

(a) the meeting consents to an adjournment, or

(b) it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.

(3) The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.

(4) When adjourning a general meeting, the chairman of the meeting must—

(a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors, and

(b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting.

(5) If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given)—

(a) to the same persons to whom notice of the company's general meetings is required to be given, and

(b) containing the same information which such notice is required to contain.

(6) No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

VOTING AT GENERAL MEETINGS

Voting: general

34. The members of the company agree that the vote of a general meeting must be in accordance with the Governance Regulations.

Errors and disputes

35. (1) No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.

(2) Any such objection must be referred to the chairman of the meeting whose decision is final.

Content of proxy notices

36. (1) Proxies may only validly be appointed by a notice in writing (a "proxy notice") which—

(a) states the name and address of the member appointing the proxy,

(b) identifies the person appointed to be that member's proxy and the general meeting in relation to which that person is appointed,

(c) is signed by or on behalf of the member appointing the proxy, or is authenticated in such manner as the directors may determine, and

(d) is delivered to the company in accordance with the articles and the Governance Regulations and any instructions contained in the notice of the general meeting to which they relate.

(2) The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.

(3) Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.

(4) Unless a proxy notice indicates otherwise, it must be treated as—

(a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and

(b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

Delivery of proxy notices

37. (1) Any notice of a general meeting must specify the address or addresses ("proxy notification address") at which the company or its agents will receive proxy notices relating to that meeting, or any adjournment of it, delivered in hard copy or electronic form.

(2) A person who is entitled to attend, speak or vote at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the company by or on behalf of that person.

(3) Subject to paragraphs (4) and (5), a proxy notice must be delivered to a proxy notification address not less than 48 hours before the general meeting or adjourned meeting to which it relates.

(6) An appointment under a proxy notice may be revoked by delivering a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given to a proxy notification address.

(7) A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.

(8) If a proxy notice is not signed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

Amendments to resolutions

38. (1) An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if—

(a) notice of the proposed amendment is given to the company secretary in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine), and

(b) the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.

(2) A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if—

(a) the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and

(b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.

(3) If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not

invalidate the vote on that resolution.

RESTRICTIONS ON MEMBERS' RIGHTS

No voting of shares on which money owed to company

39. No voting rights attached to a share may be exercised at any general meeting, at any adjournment of it or in relation to it, unless all amounts payable to the company in respect of that share have been paid.

APPLICATION OF RULES TO CLASS MEETINGS

Class meetings

40. The provisions of the articles relating to general meetings apply, with any necessary modifications, to meetings of the holders of any class of shares.

PART 4

SHARES AND DISTRIBUTIONS

ISSUE OF SHARES

Powers to issue different classes of share

41. (1) Subject to the articles and the Governance Regulations, but without prejudice to the rights attached to any existing share, the company may issue shares with such rights or restrictions as may be determined by a resolution of the members in accordance with the Governance Regulations.

(2) The company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the company or the holder, and the directors may determine the terms, conditions and manner of redemption of any such shares.

Payment of commissions on subscription for shares

42. (1) The company may pay any person a commission in consideration for that person—

(a) subscribing, or agreeing to subscribe, for shares, or

(b) procuring, or agreeing to procure, subscriptions for shares.

(2) Any such commission may be paid—

(a) in cash, or in fully paid or partly paid shares or other securities, or partly in one way and partly in the other, and

(b) in respect of a conditional or an absolute subscription.

INTERESTS IN SHARES

Company not bound by less than absolute interests

43. Except as required by law, no person is to be recognised by the company as holding any share upon any trust, and except as otherwise required by law or the articles, the company is not in any way to be bound by or recognise any interest in a share other than the holder's absolute ownership of it and all the rights attaching to it.

SHARE CERTIFICATES

Certificates to be issued except in certain cases

44. (1) The company must issue each member with one or more certificates in respect of the shares which that member holds.

(2) This article does not apply to—

(a) uncertificated shares, or

(b) shares in respect of which the Companies Regulations permit the company not to issue a certificate.

(3) Except as otherwise specified in the articles, all certificates must be issued free of charge.

(4) No certificate may be issued in respect of shares of more than one class.

(5) If more than one person holds a share, only one certificate may be issued in respect of it.

Contents and execution of share certificates

45. (1) Every certificate must specify—

(a) in respect of how many shares, of what class, it is issued,

(b) the issue price of those shares,

(c) the amount paid up on them, and

(d) any distinguishing numbers assigned to them.

(2) Certificates must—

(a) have affixed to them the company's common seal or an official seal which is a facsimile of the company's common seal with the addition on its face of the word "Securities" (a "securities seal"), or

(b) be otherwise executed in accordance with the Companies Regulations.

Consolidated share certificates

46. (1) When a member's holding of shares of a particular class increases, the company may issue that member with—

(a) a single, consolidated certificate in respect of all the shares of a particular class which that member holds, or

(b) a separate certificate in respect of only those shares by which that member's holding has increased.

(2) When a member's holding of shares of a particular class is reduced, the company must ensure that the member is issued with one or more certificates in respect of the number of shares held by the member after that reduction. But the company need not (in the absence of a request from the member) issue any new certificate if—

(a) all the shares which the member no longer holds as a result of the reduction, and

(b) none of the shares which the member retains following the reduction, were, immediately before the reduction, represented by the same certificate.

(3) A member may request the company, in writing, to replace—

(a) the member's separate certificates with a consolidated certificate, or

(b) the member's consolidated certificate with two or more separate certificates representing such proportion of the shares as the member may specify.

(4) When the company complies with such a request it may charge such reasonable fee as the directors may decide for doing so.

(5) A consolidated certificate must not be issued unless any certificates which it is to replace have first been returned to the company for cancellation.

Replacement share certificates

47. (1) If a certificate issued in respect of a member's shares is—

(a) damaged or defaced, or

(b) said to be lost, stolen or destroyed,

that member is entitled to be issued with a replacement certificate in respect of the same shares.

(2) A member exercising the right to be issued with such a replacement certificate—

(a) may at the same time exercise the right to be issued with a single certificate or separate certificates,

(b) must return the certificate which is to be replaced to the company if it is damaged or defaced, and

(c) must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide.

SHARES NOT HELD IN CERTIFICATED FORM

Uncertificated shares

48. (1) In this article, "the relevant rules" means—

(a) any applicable provision of the Companies Regulations about the holding, evidencing of title to, or transfer of shares other than in certificated form, and

(b) any applicable legislation, rules or other arrangements made under or by virtue of such provision.

(2) The provisions of this article have effect subject to the relevant rules.

(3) Any provision of the articles which is inconsistent with the relevant rules must be disregarded, to the extent that it is inconsistent, whenever the relevant rules apply.

(4) Any share or class of shares of the company may be issued or held on such terms, or in such a way, that—

(a) title to it or them is not, or must not be, evidenced by a certificate, or

(b) it or they may or must be transferred wholly or partly without a certificate.

(5) The directors have power to take such steps as they think fit in relation to—

(a) the evidencing of and transfer of title to uncertificated shares (including in connection with the issue of such shares),

(b) any records relating to the holding of uncertificated shares,

(c) the conversion of certificated shares into uncertificated shares, or

(d) the conversion of uncertificated shares into certificated shares.

(6) The company may by notice to the holder of a share require that share—

(a) if it is uncertificated, to be converted into certificated form, and

(b) if it is certificated, to be converted into uncertificated form, to enable it to be dealt with in accordance with the articles.

(7) If—

(a) the articles give the directors power to take action, or require other persons to take action, in order to sell, transfer or otherwise dispose of shares, and

(b) uncertificated shares are subject to that power, but the power is expressed in terms which assume the use of a certificate or other written instrument,

the directors may take such action as is necessary or expedient to achieve the same results when exercising that power in relation to uncertificated shares.

(8) In particular, the directors may take such action as they consider appropriate to achieve the sale, transfer, disposal, forfeiture, re-allotment or surrender of an uncertificated share or otherwise to enforce a lien in respect of it.

(9) Unless the directors otherwise determine, shares which a member holds in uncertificated form must be treated as separate holdings from any shares which that member holds in certificated form.

(10) A class of shares must not be treated as two classes simply because some shares of that class are held in certificated form and others are held in uncertificated form.

PARTLY PAID SHARES

Company's lien over partly paid shares

49. (1) The company has a lien ("the company's lien") over every share which is partly paid for any part of that share's issue price which has not been paid to the company, and which is payable immediately or at some time in the future, whether or not a call notice has been sent in respect of it.

(2) The company's lien over a share—

(a) takes priority over any third party's interest in that share, and

(b) extends to any dividend or other money payable by the company in respect of that share and (if the lien is enforced and the share is sold by the company) the proceeds of sale of that share.

(3) The directors may at any time decide that a share which is or would otherwise be subject to the company's lien shall not be subject to it, either wholly or in part.

Enforcement of the company's lien

50. (1) Subject to the provisions of this article, if—

(a) a lien enforcement notice has been given in respect of a share, and

(b) the person to whom the notice was given has failed to comply with it, the company may sell that share in such manner as the directors decide.

(2) A lien enforcement notice—

(a) may only be given in respect of a share which is subject to the company's lien, in respect of which a sum is payable and the due date for payment of that sum has passed,

(b) must specify the share concerned,

(c) must require payment of the sum payable within 14 days of the notice,

(d) must be addressed either to the holder of the share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise, and

(e) must state the company's intention to sell the share if the notice is not complied with.

(3) Where shares are sold under this article—

(a) the directors may authorise any person to execute an instrument of transfer of the shares to the purchaser or a person nominated by the purchaser, and

(b) the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale.

(4) The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied—

(a) first, in payment of so much of the sum for which the lien exists as was payable at the date of the lien enforcement notice,

(b) second, to the person entitled to the shares at the date of the sale, but only after the certificate for the shares sold has been surrendered to the company for cancellation or a suitable indemnity has been given for any lost certificates, and subject to a lien equivalent to the company's lien over the shares before the sale for any money payable in respect of the shares after the date of the lien enforcement notice.

(5) A statutory declaration by a director or the company secretary that the declarant is a director or the company secretary and that a share has been sold to satisfy the company's lien on a specified date—

(a) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share, and

(b) subject to compliance with any other formalities of transfer required by the articles or by law, constitutes a good title to the share.

Call notices

51. (1) Subject to the articles and the terms on which shares are allotted, the directors may send a notice (a "call notice") to a member requiring the member to pay the company a specified sum of money (a "call") which is payable in respect of shares which that member holds at the date when the directors decide to send the call notice.

(2) A call notice—

(a) may not require a member to pay a call which exceeds the total sum unpaid on that member's shares,

(b) must state when and how any call to which it relates it is to be paid, and

(c) may permit or require the call to be paid by instalments.

(3) A member must comply with the requirements of a call notice, but no member is obliged to pay any call before 14 days have passed since the notice was sent.

(4) Before the company has received any call due under a call notice the directors may—

(a) revoke it wholly or in part, or

(b) specify a later time for payment than is specified in the notice,

by a further notice in writing to the member in respect of whose shares the call is made.

Liability to pay calls

52. (1) Liability to pay a call is not extinguished or transferred by transferring the shares in respect of which it is required to be paid.

(2) Joint holders of a share are jointly and severally liable to pay all calls in respect of that share. (3) Subject to the terms on which shares are allotted, the directors may, when issuing shares,

provide that call notices sent to the holders of those shares may require them—

(a) to pay calls which are not the same, or

(b) to pay calls at different times.

When call notice need not be issued

53. (1) A call notice need not be issued in respect of sums which are specified, in the terms on which a share is issued, as being payable to the company in respect of that share —

(a) on allotment,

(b) on the occurrence of a particular event, or

(c) on a date fixed by or in accordance with the terms of issue.

(2) But if the due date for payment of such a sum has passed and it has not been paid, the holder of the share concerned is treated in all respects as having failed

to comply with a call notice in respect of that sum, and is liable to the same consequences as regards the payment of interest and forfeiture.

Failure to comply with call notice: automatic consequences

54. (1) If a person is liable to pay a call and fails to do so by the call payment date—

(a) the directors may issue a notice of intended forfeiture to that person, and

(b) until the call is paid, that person must pay the company interest on the call from the call payment date at the relevant rate.

(2) For the purposes of this article—

(a) the "call payment date" is the time when the call notice states that a call is payable, unless the directors give a notice specifying a later date, in which case the "call payment date" is that later date,

(b) the "relevant rate" is—

(i) the rate fixed by the terms on which the share in respect of which the call is due was allotted,

(ii) such other rate as was fixed in the call notice which required payment of the call, or has otherwise been determined by the directors, or

(iii) if no rate is fixed in either of these ways, 5 per cent per annum.

(4) The directors may waive any obligation to pay interest on a call wholly or in part.

Notice of intended forfeiture

55. A notice of intended forfeiture—

(a) may be sent in respect of any share in respect of which a call has not been paid as required by a call notice,

(b) must be sent to the holder of that share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise,

(c) must require payment of the call and any accrued interest by a date which is not less than 14 days after the date of the notice,

(d) must state how the payment is to be made, and

(e) must state that if the notice is not complied with, the shares in respect of which the call is payable will be liable to be forfeited.

Directors' power to forfeit shares

56. If a notice of intended forfeiture is not complied with before the date by which payment of the call is required in the notice of intended forfeiture, the directors may decide that any share in respect of which it was given is forfeited, and the forfeiture is to include all dividends or other moneys payable in respect of the forfeited shares and not paid before the forfeiture.

Effect of forfeiture

57. (1) Subject to the articles, the forfeiture of a share extinguishes

(a) all interests in that share, and all claims and demands against the company in respect of it, and

(b) all other rights and liabilities incidental to the share as between the person whose share it was prior to the forfeiture and the company.

(2) Any share which is forfeited in accordance with the articles—

(a) is deemed to have been forfeited when the directors decide that it is forfeited,

(b) is deemed to be the property of the company, and

(c) may be sold, re-allotted or otherwise disposed of as the directors think fit.

(3) If a person's shares have been forfeited—

(a) the company must send that person notice that forfeiture has occurred and record it in the register of members,

(b) that person ceases to be a member in respect of those shares,

(c) that person must surrender the certificate for the shares forfeited to the company for cancellation,

(d) that person remains liable to the company for all sums payable by that person under the articles at the date of forfeiture in respect of those shares, including any interest (whether accrued before or after the date of forfeiture), and

(e) the directors may waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.

(4) At any time before the company disposes of a forfeited share, the directors may decide to cancel the forfeiture on payment of all calls and interest due in respect of it and on such other terms as they think fit.

Procedure following forfeiture

58. (1) If a forfeited share is to be disposed of by being transferred, the company may receive the consideration for the transfer and the directors may authorise any person to execute the instrument of transfer.

(2) A statutory declaration by a director or the company secretary that the declarant is a director or the company secretary and that a share has been forfeited on a specified date—

(a) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share, and

(b) subject to compliance with any other formalities of transfer required by the articles or by law, constitutes a good title to the share.

(3) A person to whom a forfeited share is transferred is not bound to see to the application of the consideration (if any) nor is that person's title to the share affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the share.

(4) If the company sells a forfeited share, the person who held it prior to its forfeiture is entitled to receive from the company the proceeds of such sale, net of any commission, and excluding any amount which—

(a) was, or would have become, payable, and

(b) had not, when that share was forfeited, been paid by that person in respect of that share, but no interest is payable to such a person in respect of such proceeds and the company is not required to account for any money earned on them.

Surrender of shares

59. (1) A member may surrender any share—

(a) in respect of which the directors may issue a notice of intended forfeiture,

(b) which the directors may forfeit, or

(c) which has been forfeited.

(2) The directors may accept the surrender of any such share.

(3) The effect of surrender on a share is the same as the effect of forfeiture on that share.

(4) A share which has been surrendered may be dealt with in the same way as a share which has been forfeited.

TRANSFER AND TRANSMISSION OF SHARES

Transfers of certificated shares

60. (1) Certificated shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of—

(a) the transferor, and

(b) if any of the shares is partly paid) the transferee.

(2) No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.

(3) The company may retain any instrument of transfer which is registered.

(4) The transferor remains the holder of a certificated share until the transferee's name is entered in the register of members as holder of it.

(5) The directors may refuse to register the transfer of a certificated share if—

(a) the share is not fully paid,

(b) the transfer is not lodged at the company's registered office or such other place as the directors have appointed,

(c) the transfer is not accompanied by the certificate for the shares to which it relates, or such other evidence as the directors may reasonably require to show the transferor's right to make the transfer, or evidence of the right of someone other than the transferor to make the transfer on the transferor's behalf,

(d) the transfer is in respect of more than one class of share, or

(e) the transfer is in favour of more than four transferees.

(6) If the directors refuse to register the transfer of a share, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

Transfer of uncertificated shares

61. A transfer of an uncertificated share must not be registered if it is in favour of more than four transferees.

Transmission of shares

62. (1) If title to a share passes to a transmittee, the company may only recognise the transmittee as having any title to that share.

(2) Nothing in these articles releases the estate of a deceased member from any liability in respect of a share solely or jointly held by that member.

Transmittees' rights

63. (1) A transmittee who produces such evidence of entitlement to shares as the

directors may properly require—

(a) may, subject to the articles, choose either to become the holder of those shares or to have them transferred to another person, and

(b) subject to the articles, and pending any transfer of the shares to another person, has the same rights as the holder had.

(2) But transmittees do not have the right to attend or vote at a general meeting in respect of shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those shares.

Exercise of transmittees' rights

64. (1) Transmittees who wish to become the holders of shares to which they have become entitled must notify the company in writing of that wish.

(2) If the share is a certificated share and a transmittee wishes to have it transferred to another person, the transmittee must execute an instrument of transfer in respect of it.

(3) If the share is an uncertificated share and the transmittee wishes to have it transferred to another person, the transmittee must—

(a) procure that all appropriate instructions are given to effect the transfer, or

(b) procure that the uncertificated share is changed into certificated form and then execute an instrument of transfer in respect of it.

(4) Any transfer made or executed under this article is to be treated as if it were made or executed by the person from whom the transmittee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.

Transmittees bound by prior notices

65. If a notice is given to a member in respect of shares and a transmittee is entitled to those shares, the transmittee is bound by the notice if it was given to the member before the transmittee's name has been entered in the register of members.

CONSOLIDATION OF SHARES

Procedure for disposing of fractions of shares

66. (1) This article applies where—

(a) there has been a consolidation or division of shares, and

(b) as a result, members are entitled to fractions of shares.

(2) The directors may—

(a) sell the shares representing the fractions to any person including the company for the best price reasonably obtainable,

(b) in the case of a certificated share, authorise any person to execute an instrument of transfer of the shares to the purchaser or a person nominated by the purchaser, and

(c) distribute the net proceeds of sale in due proportion among the holders of the shares.

(3) Where any holder's entitlement to a portion of the proceeds of sale amounts to less than a minimum figure determined by the directors, that member's portion may be distributed to an organisation which is a charity for the purposes of the laws of the Abu Dhabi.

(4) The person to whom the shares are transferred is not obliged to ensure that any purchase money is received by the person entitled to the relevant fractions.

(5) The transferee's title to the shares is not affected by any irregularity in or invalidity of the process leading to their sale.

DISTRIBUTIONS

Procedure for declaring dividends

67. (1) The company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.

(2) A dividend must not be declared unless the directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors.

(3) No dividend may be declared or paid unless it is in accordance with members' respective rights.

(4) Unless the members' resolution to declare or directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each member's holding of shares on the date of the resolution or decision to declare or pay it.

(5) If the company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears.

(6) The directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.

(7) If the directors act in good faith, they do not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-

preferred rights.

68. Calculation of dividends

(1) Except as otherwise provided by the articles or the rights attached to shares, all dividends must be—

(a) declared and paid according to the amounts paid up on the shares on which the dividend is paid, and

(b) apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.

(2) If any share is issued on terms providing that it ranks for dividend as from a particular date, that share ranks for dividend accordingly.

(3) For the purposes of calculating dividends, no account is to be taken of any amount which has been paid up on a share in advance of the due date for payment of that amount.

Payment of dividends and other distributions

69. (1) Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means—

(a) transfer to a bank account specified by the distribution recipient either in writing or as the directors may otherwise decide,

(b) sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient either in writing or as the directors may otherwise decide,

(c) sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the directors may otherwise decide, or

(d) any other means of payment as the directors agree with the distribution recipient either in writing or by such other means as the directors decide.

(2) In the articles, "the distribution recipient" means, in respect of a share in respect of which a dividend or other sum is payable—

(a) the holder of the share, or

(b) if the share has two or more joint holders, whichever of them is named first in the register of members, or

(c) if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee.

Deductions from distributions in respect of sums owed to the company

70. (1) If—

(a) a share is subject to the company's lien, and

(b) the directors are entitled to issue a lien enforcement notice in respect of it,

they may, instead of issuing a lien enforcement notice, deduct from any dividend or other sum payable in respect of the share any sum of money which is payable to the company in respect of that share to the extent that they are entitled to require payment under a lien enforcement notice.

(2) Money so deducted must be used to pay any of the sums payable in respect of that share.

(3) The company must notify the distribution recipient in writing of—

(a) the fact and amount of any such deduction,

(b) any non-payment of a dividend or other sum payable in respect of a share resulting from any such deduction, and

(c) how the money deducted has been applied.

No interest on distributions

71. The company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by—

(a) the terms on which the share was issued, or

(b) the provisions of another agreement between the holder of that share and the company.

Unclaimed distributions

72. (1) All dividends or other sums which are—

(a) payable in respect of shares, and

(b) unclaimed after having been declared or become payable,

may be invested or otherwise made use of by the directors for the benefit of the company until claimed.

(2) The payment of any such dividend or other sum into a separate account does not make the company a trustee in respect of it.

(3) If—

(a) twelve years have passed from the date on which a dividend or other sum became due for payment, and

(b) the distribution recipient has not claimed it,

the distribution recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the company.

Non-cash distributions

73. (1) Subject to the terms of issue of the share in question, the company may, by ordinary resolution on the recommendation of the directors, decide to pay all or part of a dividend or other distribution payable in respect of a share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any company).

(2) If the shares in respect of which such a non-cash distribution is paid are uncertificated, any shares in the company which are issued as a non-cash distribution in respect of them must be uncertificated.

(3) For the purposes of paying a non-cash distribution, the directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution—

(a) fixing the value of any assets,

(b) paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients, and

(c) vesting any assets in trustees.

Waiver of distributions

74. Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a share by giving the company notice in writing to that effect, but if—

(a) the share has more than one holder, or

(b) more than one person is entitled to the share, whether by reason of the death or bankruptcy of one or more joint holders, or otherwise,

the notice is not effective unless it is expressed to be given, and signed, by all the holders or persons otherwise entitled to the share.

CAPITALISATION OF PROFITS

Authority to capitalise and appropriation of capitalised sums

75. (1) Subject to the articles and the Governance Regulations, the directors may, if they are so authorised by a resolution of the members—

(a) decide to capitalise any profits of the company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the company's capital redemption reserve, and

(b) appropriate any sum which they so decide to capitalise (a "capitalised sum") to the persons who would have been entitled to it if it were distributed by way of dividend (the "persons entitled") and in the same proportions.

(2) Capitalised sums must be applied—

(a) on behalf of the persons entitled, and

(b) in the same proportions as a dividend would have been distributed to them.

(3) Any capitalised sum may be applied in paying up new shares of an issue price equal to the capitalised sum which are then allotted credited as fully paid to the persons entitled or as they may direct.

(4) A capitalised sum which was appropriated from profits available for distribution may be applied—

(a) in or towards paying up any amounts unpaid on existing shares held by the persons entitled, or

(b) in paying up new debentures of the company which are then allotted credited as fully paid to the persons entitled or as they may direct.

(5) Subject to the articles the directors may—

(a) apply capitalised sums in accordance with paragraphs (3) and (4) partly in one way and partly in another,

(b) make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this article (including the issuing of fractional certificates or the making of cash payments), and

(c) authorise any person to enter into an agreement with the company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this article.

PART 5

MISCELLANEOUS PROVISIONS

COMMUNICATIONS

Means of communication to be used

76. (1) Subject to the articles, anything sent or supplied by or to the company under the articles may be sent or supplied in any way in which the Companies Regulations provides for documents or information which are authorised or required by any provision of the Companies Regulations to be sent or supplied by or to the company.

(2) Subject to the articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.

(3) A director may agree with the company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

Failure to notify contact details

77. (1) If—

(a) the company sends two consecutive documents to a member over a period of at least 12 months, and

(b) each of those documents is returned undelivered, or the company receives notification that it has not been delivered,

that member ceases to be entitled to receive notices from the company.

(2) A member who has ceased to be entitled to receive notices from the company becomes entitled to receive such notices again by sending the company—

(a) a new address to be recorded in the register of members, or

(b) if the member has agreed that the company should use a means of communication other than sending things to such an address, the information that the company needs to use that means of communication effectively.

ADMINISTRATIVE ARRANGEMENTS

Company seals

78. (1) Any common seal may only be used by the authority of the directors.

(2) The directors may decide by what means and in what form any common seal or securities seal is to be used.

(3) Unless otherwise decided by the directors, if the company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature.

(4) For the purposes of this article, an authorised person is—

(a) any director of the company,

(b) the company secretary, or

(c) any person authorised by the directors for the purpose of signing documents to which the common seal is applied.

(5) If the company has an official seal for use abroad, it may only be affixed to a document if its use on that document, or documents of a class to which it belongs, has been authorised by a decision of the directors.

(6) If the company has a securities seal, it may only be affixed to securities by the company secretary or a person authorised to apply it to securities by the company secretary.

(7) For the purposes of the articles, references to the securities seal being affixed to any document include the reproduction of the image of that seal on or in a document by any mechanical or electronic means which has been approved by the directors in relation to that document or documents of a class to which it belongs.

Destruction of documents

79. (1) The company is entitled to destroy—

(a) all instruments of transfer of shares which have been registered, and all other documents on the basis of which any entries are made in the register of members, from six years after the date of registration,

(b) all dividend mandates, variations or cancellations of dividend mandates, and notifications of change of address, from two years after they have been recorded,

(c) all share certificates which have been cancelled from one year after the date of the cancellation,

(d) all paid dividend warrants and cheques from one year after the date of actual payment, and

(e) all proxy notices from one year after the end of the meeting to which the proxy notice relates.

(2) If the company destroys a document in good faith, in accordance with the articles, and without notice of any claim to which that document may be relevant, it is conclusively presumed in favour of the company that—

(a) entries in the register purporting to have been made on the basis of an instrument of transfer or other document so destroyed were duly and properly made,

(b) any instrument of transfer so destroyed was a valid and effective instrument duly and properly registered,

(c) any share certificate so destroyed was a valid and effective certificate duly and properly cancelled, and

(d) any other document so destroyed was a valid and effective document in accordance with its recorded particulars in the books or records of the company.

(3) This article does not impose on the company any liability which it would not otherwise have if it destroys any document before the time at which this article permits it to do so.

(4) In this article, references to the destruction of any document include a reference to its being disposed of in any manner.

No right to inspect accounts and other records

80. Except as provided by law or authorised by the directors or an ordinary resolution of the company, no person is entitled to inspect any of the company's accounting or other records or documents merely by virtue of being a member.

Provision for employees on cessation of business

81. The directors may decide to make provision for the benefit of persons employed or formerly employed by the company or any of its subsidiaries (other than a director or former director or shadow director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the company or that subsidiary.

DIRECTORS' INDEMNITY AND INSURANCE

Indemnity

82. (1) Subject to paragraph (2), a relevant director of the company or an associated company may be indemnified out of the company's assets against—

(a) any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the company or an associated company,

(b) any liability incurred by that director in connection with the activities of the company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 222(6) of the Companies Regulations),

(c) any other liability incurred by that director as an officer of the company or an associated company.

(2) This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Regulations or by any other provision of law.

(3) In this article—

(a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and

(b) a "relevant director" means any director or former director of the company or an associated company.

Insurance

83. (1) The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant director in respect of any relevant loss.

(2) In this article—

(a) a "relevant director" means any director or former director of the company or an associated company,

(b) a "relevant loss" means any loss or liability which has been or may be incurred by a relevant director in connection with that director's duties or powers in relation to the company, any associated company or any pension fund or employees' share scheme of the company or associated company, and

(c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.

Annex 3 – Receiving Banks' Branches

First Abu Dhabi Bank - Participating Branches

#	Branch name	Branch Type	Customer Timing (Monday -Saturday)	IPO Subscription Timings (Monday - Saturday)	Branch Address
S.No	**Branch name**	**Branch Location-Area**	**Customer Timing**	**IPO Subscription Timings**	**Branch Address**
1	Business Park, Abu Dhabi	Abu Dhabi	08: am to 02:00 pm (Monday- Thursday);	8 am to 1 pm - Mon - Thurs.	Khalifa Park Al Qurm, PO BOX:6316
			08:00 am to 12:30 pm (Friday)	08:00 am to 12:00 pm (Friday)	
			08: am to 02:00 pm (Saturday)	08: am to 01:00 pm (Saturday)	
2	FAB One Tower, Abu Dhabi	Abu Dhabi	08: am to 02:00 pm (Monday- Thursday);	8 am to 1 pm - Mon - Thurs.	Intersection of Shaikh Khalifa street and Baniyas street,PO BOX:2993
			08:00 am to 12:30 pm (Friday)	08:00 am to 12:00 pm (Friday)	
			08: am to 02:00 pm (Saturday)	08: am to 01:00 pm (Saturday)	
3	Khubeirah	Abu Dhabi	08: am to 02:00 pm (Monday- Thursday);	8 am to 1 pm - Mon - Thurs.	Near Spinneys Khalidya Street Abu Dhabi
			08:00 am to 12:30 pm (Friday)	08:00 am to 12:00 pm (Friday)	
			08: am to 02:00 pm (Saturday)	08: am to 01:00 pm (Saturday)	
4	Al Batin	Abu Dhabi	08: am to 02:00 pm (Monday- Thursday);	8 am to 1 pm - Mon - Thurs.	Street No. 9 Next to Bateen Bus Terminal and Al Bateen Mall;PO BOX:7644
			08:00 am to 12:30 pm (Friday)	08:00 am to 12:00 pm (Friday)	
			08: am to 02:00 pm (Saturday)	08: am to 01:00 pm (Saturda)	
5	Salam Street	Abu Dhabi	08: am to 02:00 pm (Monday- Thursday);	8 am to 1 pm - Mon - Thurs.	Salam Street, Abu Dhabi
			08:00 am to 12:30 pm (Friday)	08:00 am to 12:00 pm (Friday)	
			08: am to 02:00 pm (Saturday)	08: am to 01:00 pm (Saturday)	
6	Al Ain New	Al Ain - Abu Dhabi	08: am to 02:00 pm (Monday- Thursday);	8 am to 1 pm - Mon - Thurs.	Al Ain New PO BOX: 17822
			08:00 am to 12:30 pm (Friday)	08:00 am to 12:00 pm (Friday)	

			08: am to 02:00 pm (Saturday)	08: am to 01:00 pm (Saturday)	
7	Bur Dubai	Dubai	08: am to 02:00 pm (Monday- Thursday);	8 am to 1 pm - Mon - Thurs.	Abdulla Al Rostamani Building, Khalid Bin Walid Road, Bur Dubai; PO BOX:115689
			08:00 am to 12:30 pm (Friday)	08:00 am to 12:00 pm (Friday)	
			08: am to 02:00 pm (Saturday)	08: am to 01:00 pm (Saturday)	
8	Sheikh Zayed Rd.	Dubai	08: am to 02:00 pm (Monday- Thursday);	8 am to 1 pm - Mon - Thurs.	ALQUZE NEXT TO GOLDEN DAIMOND ;PO BOX:52053
			08:00 am to 12:30 pm (Friday)	08:00 am to 12:00 pm (Friday)	
			08: am to 02:00 pm (Saturday)	08: am to 01:00 pm (Saturday)	
9	Deira Branch (ABS)	Dubai	08: am to 02:00 pm (Monday- Thursday);	8 am to 1 pm - Mon - Thurs.	Abu Baker Al Siddique Rd, Deira
			08:00 am to 12:30 pm (Friday)	08:00 am to 12:00 pm (Friday)	
			08: am to 02:00 pm (Saturday)	08: am to 01:00 pm (Saturday)	
10	Jabal Ali Branch	Dubai	08: am to 02:00 pm (Monday- Thursday);	8 am to 1 pm - Mon - Thurs.	Near Gate No.5, Adjacent to Dubai Chamber Office
			08:00 am to 12:30 pm (Friday)	08:00 am to 12:00 pm (Friday)	
			08: am to 02:00 pm (Saturday)	08: am to 01:00 pm (Saturday)	
11	Sharjah	Sharjah	08: am to 02:00 pm (Monday- Thursday);	8 am to 1 pm - Mon - Thurs.	Al Reem Plaza, Ground floor Buheira Corniche, Sharjah;PO BOX:1109
			08:00 am to 12:30 pm (Friday)	08:00 am to 12:00 pm (Friday)	
			08: am to 02:00 pm (Saturday)	08: am to 01:00 pm (Saturday)	
12	Ajman	Ajman	08: am to 02:00 pm (Monday- Thursday);	8 am to 1 pm - Mon - Thurs.	Lulu Center, Al Ittihad street, Downtown, Ajman
			08:00 am to 12:30 pm (Friday)	08:00 am to 12:00 pm (Friday)	
			08: am to 02:00 pm (Saturday)	08: am to 01:00 pm (Saturday)	

13	Fujairah	Fujairah	08: am to 02:00 pm (Monday- Thursday);	8 am to 1 pm - Mon - Thurs.	Opposite to Plaza Theatre Hamdan Bin Abdulla street;PO BOX:79
			08:00 am to 12:30 pm (Friday)	08:00 am to 12:00 pm (Friday)	
			08: am to 02:00 pm (Saturday)	08: am to 01:00 pm (Saturday)	
14	RAK (LNBAD)	Ras Al Khaimah	08: am to 02:00 pm (Monday- Thursday);	8 am to 1 pm - Mon - Thurs.	FAB RAK (LNBAD) , Corniche Al Qawasim Road , Near to NMC Royal Medical Center , RAK
			08:00 am to 12:30 pm (Friday)	08:00 am to 12:00 pm (Friday)	
			08: am to 02:00 pm (Saturday)	08: am to 01:00 pm (Saturday)	
15	Umm Al Quwain	Umm Al Quwain	08: am to 02:00 pm (Monday- Thursday);	8 am to 1 pm - Mon - Thurs.	Building No 211, King Faisal Road Al Maidan Area, Umm Al Quwain;Po BOX:733
			08:00 am to 12:30 pm (Friday)	08:00 am to 12:00 pm (Friday)	
			08: am to 02:00 pm (Saturday)	08: am to 01:00 pm (Saturday)	

Abu Dhabi Islamic Bank - Participating Branches

#	Branch name	Branch Type	Branch Code	Branch Location-Area	Area Code	Customer Timing (Monday - Saturday)	Customer Timing (Friday)	Branch Address
1	Al Bateen Branch	Normal Branch	33	Abu Dhabi	1	8:00 AM to 2:00 pm	8:00 AM to 12:00 PM	Abu Dhabi - Al Bateen king Abdulla bin AbdulAziz Al Sauod Street - near UAE Central Bank
2	Sheikh Zayed Main Branch	Normal Branch	403	Abu Dhabi	1	8:00 AM **to** 2:00 pm	8:00 AM to 12:00 PM	Sheikh Rashid Bin Saeed St(Old Airport Road) opposite to Hilton Capital Grand Hotel
3	Nation Towers Branch	Mall Branch	71	Abu Dhabi	1	10:00 AM to 10:00 pm	04:00 PM to 10:00 PM	Nation Towers Galleria – Corniche Road, First Floor
4	Baniyas Branch	Normal Branch	13	Abu Dhabi	1	8:00 AM to 2:00 pm	8:00 AM to 12:00 PM	Al Mafraq –Dubai Road opposite Al Mafraq Hospital - Baniyas
5	Khalifa A City Branch	Normal Branch	94	Abu Dhabi	1	8:00 AM to 2:00 pm	8:00 AM to 12:00 PM	Khalifa A city, street # 16/21 south west.
6	Madinat Zayed Branch	Normal Branch	7	Abu Dhabi West (Gharbiya)	5	08:00 am to 02:00 pm	8:00 AM to 12:00 PM	Madinat Zayed City - Western Region
7	Oud Al Toba Branch	Normal Branch	54	Al Ain	2	08:00 am to 08:00 pm	8:00 AM to 12:00 PM	Oud Al Toba St., No.133
8	Al Tawaam Branch	Normal Branch	365	Al Ain	2	08:00 am to 08:00 pm	8:00 AM to 12:00 PM	Sheik Khalifa Bin Zayed St, 135th St, Opposite UAE university
9	Al Qusais Branch	Normal Branch	51	Dubai	3	08: 00am to 02:00 pm	8:00 AM to 12:00 PM	Al Qusais Area -Al Wasl Building
10	Second of December Branch	Normal Branch	86	Dubai	3	08: 00am to 02:00 pm	8:00 AM to 12:00 PM	Jumeirah beach street, Dubai
11	Sheikh Zayed Road Branch	Normal Branch	14	Dubai	3	08: 00am to 02:00 pm	8:00 AM to 12:00 PM	Emarat Atrium Building, Sheikh Zayed Road
12	Nad Al Sheba Branch	Normal Branch	15	Dubai	3	10:00am to 05:00pm	04:00 PM to 10:00 PM	Avenue Mall - Nad Al Sheba - Nad Al Sheba 2 - Dubai

13	Dubai Internet City - Arenco Branch	Normal Branch	53	Dubai	3	08: 00am to 02:00 pm	8:00 AM to 12:00 PM	Arenco Tower, Dubai Internet City
14	Fujairah Branch	Normal Branch	6	East Coast	6	08: 00am to 02:00 pm	8:00 AM to 12:00 PM	Shaikh Hamad Bin Abdulla Street
15	Ras Al Khaimah Branch	Normal Branch	11	East Coast	6	08: 00am to 02:00 pm	8:00 AM to 12:00 PM	Opposite Al Manar Mall, Al Muntasir Road
16	Dibba Branch	Normal Branch	17	East Coast	6	08: 00am to 02:00 pm	8:00 AM to 12:00 PM	Sheikh Zayed Street, Opposite Dibba Police Station - Fujairah
17	Kalba Branch	Normal Branch	49	East Coast	6	08: 00am to 02:00 pm	8:00 AM to 12:00 PM	Al Wahda Street - Khamis Khalfan Al Zahmi Building - Block No:19
18	Al Dhaid Branch	Normal Branch	38	East Coast	6	08: 00am to 02:00 pm	8:00 AM to 12:00 PM	Al Dhaid Expo Center
19	Khorfakkan Branch	Normal Branch	22	East Coast	6	08: 00am to 02:00 pm	8:00 AM to 12:00 PM	Corniche Road, Banks Area
20	Umm Al Quwain Branch	Normal Branch	29	Sharjah North East Area	4	08: am to 02:00 pm	8:00 AM to 12:00 PM	Umm Al Quwain Union Coop
21	Sharjah Main Branch	Normal Branch	5	Sharjah North East Area	4	08: am to 02:00 pm	8:00 AM to 12:00 PM	Al Mussala Area opposite Etisalat building

Abu Dhabi Commercial Bank - Participating Branches

#	Branch name	Branch Type	Branch Code	Branch Location-Area	Area Code	Customer Timing (Monday to Thursday & Saturday)	Customer Timing (Friday)	IPO Subscription Timings (Monday to Thursday & Saturday)	IPO Subscription Timings (Friday)	Branch Address
1	Shahama Branch	Normal Branch	00153	Abu Dhabi		08:00 AM - 03:00 PM Monday to Thursday & Saturday	08:00 AM - 12:00 PM	08:00 AM - 03:00 PM Monday to Thursday & Saturday	08:00 AM - 12:00 PM	Dubai Abu Dhabi Road, Near Bani Yas Coop , P.O.Box: 76122
2	Hazza Bin Zayed Stadium Branch	Normal Branch	00207	Abu Dhabi, Al Ain		08:00 AM - 07:00 PM Monday to Thursday & Saturday	08:00 AM - 12:00 PM	08:00 AM - 03:00 PM Monday to Thursday & Saturday	08:00 AM - 12:00 PM	Hazza Bin Zayed Stadium, Al Ain
3	Zayed Town Branch	Normal Branch	00152	Abu Dhabi, Al Dhafra Region		08:00 AM - 03:00 PM Monday to Thursday & Saturday	08:00 AM - 12:00 PM	08:00 AM - 03:00 PM Monday to Thursday & Saturday	08:00 AM - 12:00 PM	Zayed Town Main Street, Near Zayed Town Court, P.O.Box: 50013 Zayed Town
4	Al Riggah Branch	Normal Branch	00251	Dubai		08:00 AM - 03:00 PM Monday to Thursday & Saturday	08:00 AM - 12:00 PM	08:00 AM - 03:00 PM Monday to Thursday & Saturday	08:00 AM - 12:00 PM	Al Riggah Road, Near Al Riggah Metro-Station, P.O.Box: 5550
5	Business Bay Branch	Normal Branch	00265	Dubai		08:00 AM - 03:00 PM Monday to Thursday & Saturday	08:00 AM - 12:00 PM	08:00 AM - 03:00 PM Monday to Thursday & Saturday	08:00 AM - 12:00 PM	Business Bay, Al Khaleej Al Tejari, Dubai, Nearest landmark-Business bay metro station
6	Ajman Branch	Normal Branch	00321	Ajman		08:00 AM - 03:00 PM Monday to Thursday & Saturday	08:00 AM - 12:00 PM	08:00 AM - 03:00 PM Monday to Thursday & Saturday	08:00 AM - 12:00 PM	Al Ittihad Street, Near Lulu centre, P.O.Box: 1843
7	Ras Al Khaimah Branch	Normal Branch	00341	Ras Al Khaimah		08:00 AM - 03:00 PM Monday to Thursday & Saturday	08:00 AM - 12:00 PM	08:00 AM - 03:00 PM Monday to Thursday & Saturday	08:00 AM - 12:00 PM	Al Naeem Mall, New central business district, P.O.Box: 1633
8	Fujairah Branch	Normal Branch	00331	Fujairah		08:00 AM - 03:00 PM Monday to Thursday & Saturday	08:00 AM - 12:00 PM	08:00 AM - 03:00 PM Monday to Thursday & Saturday	08:00 AM - 12:00 PM	Hamed Bin Abdulla Street, Near ADNOC P.O.Box: 770 Fujairah

9	Ruwais Branch	Normal Branch	00154	Abu Dhabi, Al Dhafra Region		08:00 AM - 03:00 PM Monday to Thursday & Saturday	08:00 AM - 12:00 PM	08:00 AM - 03:00 PM Monday to Thursday & Saturday	08:00 AM - 12:00 PM	Ruwais Housing Complex Sh. Zayed Road, Near Etisalat Office P.O.Box: 11851 Ruwais
#	Al Zahiya City Centre Branch	Mall Branch	00302	Sharjah		10:00 AM - 09:00 PM Monday to Thursday & Saturday	03:00 PM - 09:00 PM	10:00 AM - 03:00 PM Monday to Thursday & Saturday	No IPO Subscription on Friday	Sheikh Mohammed Bin Zayed Street, Al Zahia City Centre, Ground level, near Entrance A, P.O.Box: 23657
#	Reem Mall Branch	Mall Branch	00166	Abu Dhabi		10:00 AM - 09:00 PM Monday to Thursday & Saturday	03:00 PM - 09:00 PM	10:00 AM - 03:00 PM Monday to Thursday & Saturday	No IPO Subscription on Friday	Ground level, Al Reem Island, Abu Dhabi. P.O.Box: 939 Abu Dhabi

Emirates NBD - Participating Branches

S.No.	EMIRATES	BRANCH	Location	Working Hours	IPO Working Hours	Contact
1	**Dubai**	Deira Branch	Ground Floor, new Emirates NBD Building at Abra Rd, Deira, Dubai	Monday to Thursday	Monday to Thursday	800 ENBD IPO (800 3623 476)
				(8:00 AM - 3:00 PM)	(8:00 AM - 1:00 PM)	
				Friday	Friday	
				(8:00 AM - 12:00 PM)	(8:00 AM - 11:00 AM)	
				Saturday	Saturday	
				(8:00 AM - 3:00 PM)	(8:00 AM - 1:00 PM)	
2	**Dubai**	Jumeirah Branch	Emirates NBD Building, Al Wasl Rd Intersection, Umm Suquiem 3, Jumeirah, Dubai	Monday to Thursday	Monday to Thursday	800 ENBD IPO (800 3623 476)
				(8:00 AM - 3:00 PM)	(8:00 AM - 1:00 PM)	
				Friday	Friday	
				(8:00 AM – 3:00 PM)	(8:00 AM - 11:00 AM)	
				Saturday	Saturday	
				(8:00 AM - 3:00 PM)	(8:00 AM - 1:00 PM)	
3	**Dubai**	Al Qusais Branch	Damascus St, Near Dubai Grand Hotel, Al Qusais, Dubai	Monday to Thursday	Monday to Thursday	800 ENBD IPO (800 3623 476)
				(8:00 AM - 3:00 PM)	(8:00 AM - 1:00 PM)	
				Friday	Friday	
				(8:00 AM - 12:00 PM)	(8:00 AM - 11:00 PM)	

				Saturday	Saturday	
				(8:00 AM - 3:00 PM)	(8:00 AM - 1:00 PM)	
4	**Abu Dhabi**	Abu Dhabi Main Branch	Ground Floor, Al Neem Building, Shaikh Khalifa street , Abu Dhabi	Monday to Thursday	Monday to Thursday	800 ENBD IPO (800 3623 476)
				(8:00 AM - 3:00 PM)	(8:00 AM - 2:00 PM)	
				Friday	Friday	
				(8:00 AM - 3:00 PM)	(8:00 AM - 12:00 PM)	
5	**Abu Dhabi**	Al Muroor Branch	New Airport Road, Muroor, Abu Dhabi	Monday to Thursday	Monday to Thursday	800 ENBD IPO (800 3623 476)
				(8:00 AM - 3:00 PM)	(8:00 AM - 1:00 PM)	
				Friday	Friday	
				(8:00 AM - 12:00 PM)	(8:00 AM - 11:00 AM)	
				Saturday	Saturday	
				(8:00 AM - 3:00 PM)	(8:00 AM - 1:00 PM)	
6	**Al Ain**	Al Ain Main Branch	Sheikh Khalifa Bin Zayed St, (in front of Burjeel Hospital), Al Ain	Monday to Thursday	Monday to Thursday	800 ENBD IPO (800 3623 476)
				(8:00 AM - 3:00 PM)	(8:00 AM - 1:00 PM)	
				Friday	Friday	
				(8:00 AM - 12:00 PM)	(8:00 AM - 11:00 AM)	
				Saturday	Saturday	
				(8:00 AM - 3:00 PM)	(8:00 AM - 1:00 PM)	

7	**Ajman**	Ajman Branch	Emirates NBD Building, Sheikh Rashid Bin Humaid St, Al Sawan, Ajman	Monday to Thursday	Monday to Thursday	800 ENBD IPO (800 3623 476)
				(8:00 AM - 3:00 PM)	(8:00 AM - 1:00 PM)	
				Friday	Friday	
				(8:00 AM - 12:00 PM)	(8:00 AM - 11:00 AM)	
				Saturday	Saturday	
				(8:00 AM - 3:00 PM)	(8:00 AM - 1:00 PM)	

Emirates Islamic Bank - Participating Branches

S.No	Branch name	Branch Location-Area	Customer Timing	IPO Subscription Timings	Branch Address
1	Healthcare City Branch	Dubai	Monday to Thursday (8am - 4pm) Friday (8 - 12.30pm & 2pm - 4pm)	Monday to Thursday (8am - 1pm) Friday (8am - 11.30am)	Building 16, Dubai Health Care City
2	Nad Al Hamar	Deira	Monday to Saturday (8am - 2pm) Friday (8am - 12.30pm)	Monday to Saturday (8am - 1pm) Friday (8am - 11.30am)	Bel Remaitha Club Building,Show Rooms # S-8 & S-9,Nad Al Hamar Area, Al Rubat street
3	Halwan Branch	Sharjah & NE Region	Monday to Saturday (8am - 8pm) Friday (8am - 11.30am	Monday to Saturday (8am - 1pm) Friday (8am - 10.30am)	Sheikh Isam Building,Wasit Street, Industrial Area, Halwaan, Sharjah
4	Ajman Kalifa Bin Zayed	Ajman	Monday to Saturday (8am - 2pm) Friday (8am - 12.30pm)	Monday to Saturday (8am - 1pm) Friday (8am - 11.30am)	Sara Plaza 2, Al Jurf 2 area - Shaikh Khalifa Bin Zayed St - Ajman
5	Ras Al Khaimah Branch	Ras Al Khaimah	Monday to Saturday (8am - 8pm) Friday (8am - 12.30pm)	Monday to Saturday (8am - 1pm) Friday (8am - 11.30am)	Emirates Islamic Tower, Ground Floor, Al Muntaser Road - Al Nakheel Area
6	Fujairah Branch	Fujairah	Monday to Saturday (8am - 2pm) Friday (8am - 12.30pm)	Monday to Saturday (8am - 1pm) Friday (8am - 11.30am)	Near Choithram Supermarket, Sheikh Hamad Bin Abdulla Street
7	Main Branch Abu Dhabi	Abu Dhabi	Monday to Saturday (8am - 2pm) Friday (8am - 12.30pm)	Monday to Saturday (8am - 1pm) Friday (8am - 11.30am)	Khalidiyah Corniche Area, Wave Tower

8	Al Ain Main Branch	Al Ain	Monday to Saturday (8am - 2pm) Friday (8am - 12.30pm)	Monday to Saturday (8am - 1pm) Friday (8am - 11.30am)	Al Ain, Al Murabaa Area, Othman Bin Affan Street, opposite to Al Ain Mall

Annex 4 – Company's Investments in the Subsidiaries[1] of the Company

Name	Country of Incorporation	Percentage of Ownership
A D N H Catering – L.L.C O.P.C	UAE	100%
A D N H Catering L.L.C	UAE	100%
A D N H Compass L.L.C O.P.C	UAE	100%

[1] Subsidiaries are entities in which the Company holds at least 50% of its share capital.

Annex 5 – Company's Organization Chart