Drake and Scull International (P.J.S.C.)
and its subsidiaries

Consolidated Financial Statements
For the year ended December 31, 2024

Drake and Scull International (P.J.S.C.) and its subsidiaries
Consolidated Financial Statements
For the year ended December 31, 2024

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REPORT OF THE BOARD OF DIRECTORS

The Board of Directors present their report and the consolidated financial statements for the year ended 31 December 2024.

PRINCIPAL ACTIVITIES

Drake & Scull International PJSC is preliminary engaged in construction disciplines of engineering, MEP, civil contracting and water and power infrastructure.

RESULTS

For the year ended 31 December 2024, the Group recorded revenue of AED 104 million (2023: AED 86 million) and net profit of AED 3,759 million (2023: net loss AED 367 million).

The Group restructuring effective date was 3 June 2024 led to write back of liabilities of AED 3,793 million and issuance of Mandatory Convertible Sukuk AED 368 million.

The Group equity improved to AED 152 million as at 31 December 2024 compared to negative equity of AED 4,432 million in 2023.

AUDITORS

Recommendation to recruit external auditor for the year 2025 at the Annual General Meeting.

For and on Behalf of the Board of Directors

Chairman

March 26, 2025

Dubai, United Arab Emirates

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Independent Auditor's Report
To the Shareholders of Drake and Scull International (P.J.S.C.)

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the consolidated financial statements of Drake and Scull (P.J.S.C.) (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, except for the possible effects of the matters described in the *Basis for Qualified Opinion* section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by International Accounting Standards Board (IASB).

Basis for Qualified Opinion

a) Bank Confirmations

We have requested but not received confirmations from several banks with which the Group holds bank balances with a gross carrying amount of AED 12,683 thousand as at December 31, 2024 and AED 27,649 thousand as at December 31, 2023 and guarantees and bonds of AED 453,330 thousand as at December 31, 2024 and AED 690,598 thousand as at December 31, 2023. We were unable to satisfy ourselves by alternative means with regards to the completeness and accuracy of these bank balances, the accuracy of the related expected credit loss of AED 12,683 thousand recognized during the year, the accuracy and completeness of guarantees and bonds, and the existence and completeness of any special arrangements or restrictions arising from the relationships with these banks, commitments held with these banks, and any additional obligations or liabilities to these banks as at December 31, 2024 and 2023.

Independent Auditor's Report

To the Shareholders of Drake and Scull International (P.J.S.C.)

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

Basis for Qualified Opinion (continued)

b) Discontinued Operations

As disclosed in Note 35 to the consolidated financial statements, the Group has operations in various geographical locations that have been classified as discontinued operations and the related assets and liabilities with a carrying amount of AED 46,975 thousand and AED 233,242 thousand, respectively, have been classified as held for sale on the consolidated statement of financial position. We were unable to obtain sufficient appropriate audit evidence with regards to the existence, accuracy and completeness of these balances and the completeness of any contingencies that may arise as a result of the liquidation of these operations due to lack of accounting records and lack of access to these locations. Consequently, we were unable to determine whether any adjustments were necessary to these balances and whether there were any unrecorded liabilities and undisclosed contingencies related to these discontinued operations.

c) Legal Confirmations

We have requested but not received confirmations from number of lawyers engaged with the Group as well as register of legal cases obtained from local courts in the certain foreign jurisdictions where the Group operates. We were unable to satisfy ourselves by alternative means with regards to the completeness of provisions and contingent liabilities related to legal cases. Accordingly, we were unable to determine whether any adjustments were necessary with regards to the provision for legal cases and to verify the completeness of contingent liabilities disclosed in Note 24 to the consolidated financial statements.

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

Emphasis of Matter

We draw attention to Note 33 to the consolidated financial statements, which describes that the Group has not recognized income tax expense against the write back of liabilities under approved restructuring settlement plan amounting to AED 3,792,884 thousand recognized in the consolidated statement of profit or loss for the year ended December 31, 2024, based on the advice received from an independent tax expert and management's interpretation of the Corporate Tax Law ("CT Law") as further described in Note 33 to the consolidated financial statements. The Group has requested for a private clarification from the Federal Tax Authority ("FTA") to support such tax treatment, which is under review by the FTA at the date of the issuance of the consolidated financial statements. Any tax liability that may arise on the write-back amount is contingent on the final response of the FTA. Our audit opinion is not further modified with respect of this matter.

Other Matter

The consolidated financial statements of the Group as at and for the year ended December 31, 2023 were audited by another auditor who expressed a disclaimer of opinion on those statements on March 28, 2024 due to the inability to receive confirmations from certain bankers, trade and other creditors and lawyers, inability to verify opening balances, and the existence of significant doubt about the Group's ability to continue as a going concern.

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Independent Auditor's Report
To the Shareholders of Drake and Scull International (P.J.S.C.)

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the *Basis for Qualified Opinion* section we have determined the matter described below to be the key audit matter to be communicated in our report.

Key audit matter	*How our audit addressed the key audit matter*
Write-back of liabilities under approved restructuring settlement plan As stated in Note 2 to the consolidated financial statements, the implementation of the restructuring settlement plan as approved by the Dubai Court of appeal has been implemented and resulted in write-back of liabilities in the amount of AED 3,792,884 thousand in the consolidated statement of profit or loss and in the conversion of liabilities to Mandatory Convertible Sukuks in the amount of AED 368,130 thousand. This matter was considered a key audit matter due to its significance to the consolidated financial statements.	We performed the following procedures: • Obtained and reviewed the court order approving the restructuring plan and all related documentation; • Assessed the legal documentation related to the restructuring and the issuance of mandatory convertible sukuks; • Evaluated management's assessment of the accounting treatment for the debt write-back, including the recognition of the gain; • Verified the accuracy of the calculations related to the write-back and the Mandatory Convertible of Sukuks; and • Assessed the adequacy of the disclosures in the consolidated financial statements.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Board of Directors' Report.

Our opinion on the consolidated financial statements does not cover the other information except for the financial information given in the Board of Directors' Report, and accordingly, we do not express any form of assurance or conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We conclude that the other information is materially misstated as a result of the matters described in the *Basis for Qualified Opinion* section of our report.

Independent Auditor's Report

To the Shareholders of Drake and Scull International (P.J.S.C.)

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

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

The management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and the applicable provisions of the Company's Articles of Association and the UAE Federal Decree-Law No. (32) of 2021, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Independent Auditor's Report
To the Shareholders of Drake and Scull International (P.J.S.C.)

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group 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.

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

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

Report on Other Legal and Regulatory Requirements

Non-compliances with the UAE Federal Decree-Law No. (32) of 2021

The Company has not yet amended its Articles of Association to reflect the changes required due to application of the UAE Federal Decree-Law No. (32) of 2021.

Further, as required by the UAE Federal Decree-Law No. (32) of 2021, except for the matters described in the *Basis for Qualified Opinion* section of our report and subject to the above, we report that, for the year ended December 31, 2024:

- The Company has maintained proper books of account;
- We have obtained all the information we considered necessary for the purposes of our audit;
- The consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the Company's Articles of Association and the UAE Federal Decree-Law No. (32) of 2021;
- The financial information included in the Board of Directors' report is consistent with the books of account of the Company;
- There were no investments in shares and stocks during the year ended December 31, 2024;
- Note 23 reflects material related party transactions and the terms under which they were conducted;

Independent Auditor's Report
To the Shareholders of Drake and Scull International (P.J.S.C.)

Report on Other Legal and Regulatory Requirements (continued)

- 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 year ended December 31, 2024, any of the applicable provisions of the UAE Federal Decree-Law No. (32) of 2021 or of its Articles of Association which would have a material impact on its activities or its consolidated financial position as at December 31, 2024; and
- There were no social contributions made during the year ended December 31, 2024.

GRANT THORNTON UAE

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

Dr. Osama El Bakry
Registration No. 935
Dubai, United Arab Emirates

March 26, 2025

Drake and Scull International (P.J.S.C.) and its subsidiaries
Consolidated Financial Statements

Consolidated statement of financial position
As at December 31, 2024

	Notes	December 31, 2024 AED'000	December 31, 2023 (Restated) AED'000	January 1, 2023 (Restated) AED'000
ASSETS				
Non-current assets				
Property and equipment	7	**582**	771	13,147
Right-of-use assets	8	**6,433**	2,161	2,966
Deferred tax assets	33	**17,324**	15,852	14,431
Retentions receivable	11	**7,386**	5,861	14,023
		31,725	24,645	44,567
Current assets				
Trade and other receivables	11	**108,481**	89,226	125,879
Contract assets	26	**14,718**	16,593	40,164
Due from related parties	23	**53,247**	67,756	58,350
Financial assets at fair value through profit or loss	12	**1,351**	986	979
Cash and bank balances	13	**390,529**	71,905	72,088
		568,326	246,466	297,460
Assets held for sale	35	**46,975**	44,251	473
		615,301	290,717	297,933
TOTAL ASSETS		**647,026**	315,362	342,500
EQUITY AND LIABILITIES				
Equity				
Share capital	14	**2,886,697**	1,070,988	1,070,988
Share (discount)/premium		**(1,356,204)**	3,026	3,026
Treasury shares	15	**(433)**	-	-
Statutory reserve	16	**479,454**	125,760	125,760
Mandatory Convertible Sukuks	17	**368,130**	-	-
Foreign currency translation reserve		**(23,378)**	(24,459)	(43,456)
Accumulated losses		**(2,079,873)**	(5,480,960)	(5,114,089)
Total equity/(deficiency of assets) attributable to equity holders of the Parent		**274,393**	(4,305,645)	(3,957,771)
Non-controlling interest	18	**(122,658)**	(126,458)	(126,528)
Total equity/(deficiency of assets)		**151,735**	(4,432,103)	(4,084,299)
Non-current liabilities				
Employees' end of service benefits	19	**9,129**	12,045	14,008
Lease liabilities	8	**5,164**	1,944	2,088
		14,293	13,989	16,096
Current liabilities				
Provisions	20	**47,902**	1,545,181	1,421,828
Lease liabilities	8	**1,323**	163	1,124
Bank borrowings	21	**8,732**	2,084,041	2,104,025
Trade and other payables	22	**150,504**	546,032	611,047
Contract liabilities	26	**36,093**	32,095	64,341
Due to related parties	23	**-**	41,224	41,224
Income tax payable		**3,202**	405	7,562
		247,756	4,249,141	4,251,151
Liabilities directly associated with the assets held for sale	35	**233,242**	484,335	159,552
		480,998	4,733,476	4,410,703
Total liabilities		**495,291**	4,747,465	4,426,799
TOTAL EQUITY AND LIABILITIES		**647,026**	315,362	342,500

These consolidated financial statements were approved and authorised for issue by the Board of Directors on March 26, 2025 and were signed on their behalf by:

Dr. Abdulrahman Mahmoud Alafeefi	**Ahmad M.F.A. Al Kilani**	**Mr. Muin El-Saleh**	**Fadi Baraki**
Director	Director	Chief Executive Officer	Chief Financial Officer

The accompanying notes from 1 to 41 form an integral part of these consolidated financial statements.

Consolidated statement of profit or loss
For the year ended December 31, 2024

	Notes	2024 AED'000	2023 (Restated) AED'000
Continuing operations:			
Revenue from contracts with customers	26	**103,672**	86,286
Cost of revenue	28	**(98,394)**	(81,216)
GROSS PROFIT		**5,278**	5,070
General and administrative expenses	29	**(39,750)**	(36,145)
Provisions	30	**(28,651)**	(121,807)
Expected credit losses	11	**(15,971)**	(24,727)
Restructuring costs	36	**(41,915)**	(219)
Write back of liabilities under approved restructuring settlement plan	36	**3,792,884**	-
Other income	31	**60,654**	32,905
Finance income	32	**12,598**	653
Finance cost	32	**(3,364)**	(149,568)
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		**3,741,763**	(293,838)
Income tax (expense)/credit	33	**(709)**	131
PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS		**3,741,054**	(293,707)
Discontinued operations:			
Profit/(loss) from discontinued operations	35	**17,532**	(73,100)
PROFIT/(LOSS) FOR THE YEAR		**3,758,586**	(366,807)
Attributable to:			
Equity holders of the Parent:			
Profit/(loss) from continuing operations		**3,741,054**	(293,707)
Profit/(loss) from discontinued operations		**13,727**	(73,164)
		3,754,781	(366,871)
Non-controlling interest:			
Profit from discontinued operations		**3,805**	64
Earnings per share:			
Basic earnings per share (AED)	34	**1.685**	(0.343)
Diluted earnings per share (AED)		**0.993**	(0.140)

The accompanying notes from 1 to 41 form an integral part of these consolidated financial statements.

Consolidated statement of other comprehensive income
For the year ended December 31, 2024

	Note	**2024** AED'000	2023 (Restated) AED'000
PROFIT/(LOSS) FOR THE YEAR		**3,758,586**	(366,807)
Other comprehensive income(loss) that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of continuing foreign operations		**1,081**	18,997
Exchange differences on translation of discontinued foreign operations	18	**(5)**	6
Other comprehensive income for the year		**1,076**	19,003
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		**3,759,662**	(347,804)
Attributable to:			
Equity holders of the Parent		**3,755,862**	(347,874)
Non-controlling interest		**3,800**	70
		3,759,662	(347,804)

The accompanying notes from 1 to 41 form an integral part of these consolidated financial statements.

Consolidated statement of changes in equity
For the year ended December 31, 2024

	Attributable to equity holders of the Parent									
	Share capital AED'000	Share (discount)/ premium AED'000	Treasury shares AED'000	Statutory reserve AED'000	Mandatory convertible Sukuks AED'000	Foreign currency translation reserve AED'000	Accumulated losses AED'000	Total AED'000	Non-controlling interest AED'000	Total equity AED'000
At January 1, 2023	1,070,988	3,026	-	125,760	-	(43,456)	(5,098,172)	(3,941,854)	(140,671)	(4,082,525)
Adjustment on correction of errors (Note 40)	-	-	-	-	-	-	(15,917)	(15,917)	14,143	(1,774)
At January 1, 2023 – R*estated*	1,070,988	3,026	-	125,760	-	(43,456)	(5,114,089)	(3,957,771)	(126,528)	(4,084,299)
Loss for the year – *Restated*	-	-	-	-	-	-	(366,871)	(366,871)	64	(366,807)
Other comprehensive income	-	-	-	-	-	18,997	-	18,997	6	19,003
Total comprehensive loss – R*estated*	-	-	-	-	-	18,997	(366,871)	(347,874)	70	(347,804)
At December 31, 2023 - R*estated*	1,070,988	3,026	-	125,760	-	(24,459)	(5,480,960)	(4,305,645)	(126,458)	(4,432,103)
Profit for the year	-	-	-	-	-	-	3,754,781	3,754,781	3,805	3,758,586
Other comprehensive income/(loss)	-	-	-	-	-	1,081	-	1,081	(5)	1,076
Total comprehensive income	-	-	-	-	-	1,081	3,754,781	3,755,862	3,800	3,759,662
Issuance of Mandatory Convertible Sukuks (Note 17)	-	-	-	-	368,130	-	-	368,130	-	368,130
Treasury shares (Note 15)		2,552	(433)	-	-	-	-	2,119	-	2,119
Transfer to statutory reserve (Note 15)	-	-	-	353,694	-	-	(353,694)	-	-	-
Issuance of share capital (Note 14)	1,815,709	(1,361,782)	-	-	-	-	-	453,927	-	453,927
At December 31, 2024	**2,886,697**	**(1,356,204)**	**(433)**	**479,454**	**368,130**	**(23,378)**	**(2,079,873)**	**274,393**	**(122,658)**	**151,735**

The accompanying notes from 1 to 41 form an integral part of these consolidated financial statements.

Consolidated statement of cash flows
For the year ended December 31, 2024

	Notes	2024 AED'000	2023 (Restated) AED'000
OPERATING ACTIVITIES			
Profit/(loss) before tax from continuing operations		**3,741,763**	(293,838)
Profit/(loss) before tax from discontinued operations	35	**17,532**	(73,100)
Profit/(loss) before tax		**3,759,295**	(366,938)
Adjustments for:			
Depreciation of property and equipment	7	**252**	285
Depreciation of right-of-use assets	8	**579**	833
Write-back of liabilities under approved restructuring settlement plan	36	**(3,792,884)**	-
Change in fair value of financial assets at FVTPL	31	**(365)**	(7)
Write-back of liabilities and provisions		**(54,455)**	(1,967)
Expected credit losses on trade receivables	11	**397**	24,727
Provisions	30	**28,651**	121,807
Loss on disposal of property and equipment		**-**	4,616
Finance cost	32	**3,364**	149,676
Provision for employees' end of service benefits	19	**758**	1,211
Finance income	32	**(12,598)**	(653)
		(67,006)	(66,410)
Changes in working capital:			
Trade and other receivables		**(24,842)**	51,354
Due from related parties		**14,509**	(9,406)
Trade and other payables		**(47,967)**	(98,698)
Cash used in operations		**(125,306)**	(123,160)
Payment of employees' end of service benefits	19	**(1,579)**	(298)
Net cash flows used in operating activities		**(126,885)**	(123,458)
INVESTING ACTIVITIES			
Purchase of property and equipment	7	**(277)**	(95)
Placement of fixed deposits		**(180,030)**	-
Interest income received		**10,435**	653
Net cash flows from investing activities		**(169,872)**	558
FINANCING ACTIVITIES			
Issuance of share capital	14	**453,927**	-
Repayment of bank borrowings		**(404)**	(19,984)
Acquisition of treasury shares, net	15	**(433)**	-
Payment of lease liabilities	8	**(781)**	(763)
Finance cost paid		**(58)**	(800)
Net cash flows from/(used in) financing activities		**452,251**	(21,547)
Net change in cash and cash equivalents		**(155,494)**	(144,447)
Net foreign exchange difference on translation of monetary items		**557**	1,405
Write-back of bank overdrafts	36	**465,095**	-
Cash and cash equivalents at the beginning of the year		**(449,591)**	(306,549)
Cash and cash equivalents at the end of the year	13	**171,555**	(449,591)

The accompanying notes from 1 to 41 form an integral part of these consolidated financial statements.

1 Legal status and principal activities

Drake and Scull International P.J.S.C (the "Company" or the "Parent") was incorporated on November 16, 2008 and registered on January 21, 2009 as a Public Joint Stock Company. The Company is listed on the Dubai Financial Market. The registered address of the Company is P.O Box 65794, Dubai, United Arab Emirates. The Company together with its subsidiaries, as listed below, are referred to as the "Group".

The Group is engaged in carrying out contracting work within the construction industry which mainly includes electrical, plumbing, oil and gas, air conditioning, water & waste-water treatment works.

These consolidated financial statements as at December 31, 2024 and 2023 include the financial performance and position of the Company and its subsidiaries as follows:

Component name	Principal activity	Ownership (%)		Country of incorporation
		2024	2023	
Passavant Energy and Environment GmbH ("Passavant") **	Contracting for wastewater, water and sludge treatment plants	**100%**	100%	Federal Republic of Germany
Drake and Scull Cayman Island Limited*	Investment in commercial enterprise and management	**100%**	100%	British Overseas Territory
Effective International Investment LLC	Investment in commercial, agricultural or industrial enterprises & management	**100%**	100%	United Arab Emirates
1996 Advanced Investments LLC*	Investment in commercial, agricultural or industrial enterprises & management	**100%**	100%	United Arab Emirates
Emirates Utility Company LLC*	Investment in commercial enterprise and management	**100%**	100%	United Arab Emirates
1881 Advanced Investments LLC*	Investment in commercial, agricultural or industrial enterprises & management	**100%**	100%	United Arab Emirates
Drake and Scull Engineering LLC (DSE DXB)	Engineering, procurement and construction of Water and Power Infrastructure projects	**100%**	100%	United Arab Emirates
Drake and Scull for Contracting Oil and Gas Fields Facilities LLC	Oil & Gas Contracting	**70%**	70%	United Arab Emirates

The Company has a branch in Iraq under the name of "Drake and Scull International PJSC-Iraq Branch".

The Group has investments in various other subsidiaries which are classified as discontinued operations (Note 35).

* Dormant entities

1 Legal status and principal activities (continued)

** Passavant has the following subsidiaries:

Component name	Principal activity	Ownership (%) 2024	2023	Country of incorporation
Passavant Energy and Environment India Private Limited	Engineering, procurement and construction	**100%**	100%	Republic of India
Balkanstek SRL former Passavant Energy & Environment SRL	Engineering, procurement and construction	**100%**	100%	Romania
Passavant Energy & Environment FZE	Engineering, procurement and construction	**100%**	100%	United Arab Emirates
Passavant Roediger Bulgaria EOOD	Engineering, procurement and construction	**100%**	100%	The Republic of Bulgaria
Passavant Engineering SRL	Engineering, procurement and construction	**100%**	100%	Romania
Passavant Engineering North Africa	Engineering, procurement and construction	**100%**	100%	The Republic of Tunisia
DSWE	Engineering, procurement and construction	**100%**	100%	Republic of India
Passavant Engineering Limited-British Virgin Islands	Engineering, procurement and construction	**100%**	100%	Virgin Island (British)

As at December 31, 2024 and 2023, Passavant has the following Joint Ventures and branches:

Joint Ventures:

- JV - Passavant Roediger & Sec Yapi Consortium – *Turkey*
- JV Passavant Energy & Environment GmbH, Equipment Sales and Service Company, Hinnawi Contracting Company - *Palestine*
- Acciona Agua Sau Passavant Roediger GmbH Ute (EUR) Joint Venture Egypt (EGP) - *Egypt*
- Consortium Passavant Energy and Environment GmbH and Arab Towers Contracting Company - *Jordan*
- The Consortium of Passavant Energy & Environmental GmbH and Masoud & Ali Partners Contracting - *Palestine*
- Consortium Passavant-Roediger GmbH & Hussein Atieh Establishment Contracting & Constructions - *Jordan*
- JV of Larsen & Toubro - Passavant Energy & Environment - *India*
- Consortium Passavant Energy and Environment GmbH & Ludwig Pfeiffer Hoch- und Tiefbau GmbH - *Moldova*
- Consortium 815129 STP, Tukucha Khola - *Nepal*

Branches:

- Passavant Energy & Environment Sucursala Bucuresti - *Romania*
- Passavant Energy & Environment - *Kosovo*
- Passavant Energy & Environment - *Egypt*
- Passavant Energy & Environment GmbH - *Moldova*
- Project office of Passavant Energy & Environment GmbH (Nathdwara & Allahabad) - *India*
- Passavant Energy & Environment GmbH - *Palestine*
- Passavant Energy & Environment - *Turkey*
- Passavant Energy & Environment GmbH - *Jordan*
- Passavant Energy & Environment - *Algeria*
- Passavant Energy & Environment GmbH - *Bulgaria*
- Passavant Engineering - *Tunisia*
- Passavant Energy & Environment Limited - *Kingdon of Saudi Arabia*

2 Significant events and transactions during the year

As part of the restructuring plan approved by the Dubai Court of appeal on November 23, 2023 (Note 36), the General Assembly on April 1, 2024 approved a capital increase by way of issuance of share capital and on May 10, 2024, the Company successfully raised capital amounting to AED 454 million. Furthermore, in accordance with the Dubai Court order and approved restructuring settlement plan, June 3, 2024 was deemed to be the effective restructuring date for the settlement of all qualified financial lenders' and trade creditors' balances.

Significant provisions of the restructuring settlement plan include the following:

- Categorization of qualified creditors between large and small creditors based on criteria laid down in the restructuring settlement plan;
- Write back of 90% of the balances owed to both large and small creditors;
- Settlement of the remaining 10% balances owed to large creditors by way of issuance of Mandatory Convertible Sukuks ("MCS"); and
- Settlement of the remaining 10% balances owed to small creditors through payment in cash.

The implementation of the restructuring settlement plan as approved by the Dubai Court of appeal has been implemented and resulted in write-back of liabilities and conversion of liabilities to Mandatory Convertible Sukuks in the amount of AED 3,792,884 thousand and AED 368,130 thousand, respectively (Note 36).

The capital injection and implementation of the restructuring settlement plan have significantly improved the financial position and liquidity of the Group as at December 31, 2024 as well as concluded the significant legal claims against the Group and their related uncertainties.

During 2024, the financial settlements with ex-employees and commercial creditors have been initiated by the Group in accordance with the approved restructuring plan.

3 New or revised Standards or Interpretations

3.1 New Standards adopted as at 1 January 2024

Some accounting pronouncements that are listed below have become effective from January 1, 2024 and have therefore been adopted by the Group but do not have any significant impact on the Group's consolidated financial results or position.

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

3.2 Standards, amendments and Interpretations to existing Standards that are not yet effective

At the date of authorisation of these consolidated financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB or IFRIC. None of these Standards or amendments to existing Standards have been adopted early by the Group and no interpretations have been issued that are applicable and need to be taken into consideration by the Group at either reporting date.

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

3 New or revised Standards or Interpretations (continued)

3.3 Standards issued by the International Sustainability Standards Board (ISSB)

On June 26, 2023, the ISSB published first two IFRS Sustainability Disclosure Standards at the IFRS Foundation Conference 2023:

- IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information - IFRS S1 sets out overall requirements with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to the primary users of general-purpose financial reports in making decisions relating to providing resources to the entity;
- IFRS S2 Climate-related Disclosures - IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.

Subject to adoption by the local jurisdiction, both Standards are effective for annual periods beginning on or after January 1, 2024, with substantial transitional reliefs to allow preparers more time to align reporting of sustainability related financial disclosures and financial statements.

The Company did not adopt these standards on their effective date given that they have not yet been adopted by the United Arab Emirates.

4 Statement of compliance and basis of preparation

4.1 Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB). They have been prepared under the assumption the Group operates on a going concern basis.

The consolidated financial statements have been prepared in accordance with the requirements of the applicable laws and regulations, including UAE Federal Decree-Law No. (32) of 2021. However, the Company is currently in the process of amending its Articles of Association to reflect the changes required due to application of the UAE Federal Decree-Law No. (32) of 2021.

4.2 Basis of preparation

The Group's consolidated financial statements have been prepared on an accruals basis and under the historical cost convention, except for financial assets at fair value through profit or loss (FVTPL) that have been measured at fair value.

The consolidated financial statements provide comparative information in respect of the previous period. In addition, the Group presents an additional consolidated statement of financial position at the beginning of the preceding period when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in the financial statements. An additional consolidated statement of financial position as at January 1, 2023 is presented in these consolidated financial statements due to the retrospective correction of errors (Note 40).

4.3 Going concern

For the year ended December 31, 2024, the Group generated negative cash flows from operations of AED 126,885 thousand (2023: AED 123,458 thousand) and, as of that date, the accumulated losses exceeded 50% of the Company's share capital. These events or conditions indicate a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and realize its assets and discharge its liabilities in the normal course of business. Notwithstanding, the consolidated financial statements of the Group have been prepared on a going concern basis taking into consideration several factors as further disclosed below.

4 Statement of compliance and basis of preparation (continued)

4.3 Going concern (continued)

Following the implementation of the restructuring plan as approved by the Court, the Group's management and the Board of Directors have reassessed the Group's ability to continue as a going concern. The assessment was based on the following factors:

- Availability of liquidity and significant cash balances at the disposal of the Group by way of the recent cash injection of AED 454 million in the form of shares issuance resulting in a positive equity of AED 151.7 million at December 31, 2024;
- Subsequent to the year-end, the Group was awarded several projects including a major project in the UAE with a total contract value of AED 1 billion;
- Any future claims that have not yet been made by creditors are not expected to be material as well as not to have any material impact on the Group given that the Court's decision for the 90/10 settlement basis will apply on such claims.

Furthermore, management and the Board of Directors are not aware of any material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern.

Based on the above, the consolidated financial statements have been prepared on a going concern basis.

4.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries and sub-subsidiaries as at December 31, 2024. 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
- 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
- The Group's voting rights and potential voting rights

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

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.

4 Statement of compliance and basis of preparation (continued)

4.4 Basis of consolidation (continued)

Profit or loss and each component of OCI are attributed to the equity holders of the Company and to the non-controlling interest, even if this results in the non-controlling interest having a deficit balance.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

5 Material accounting policies

5.1 Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

5.2 Fair value measurement

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

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

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

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

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

5 Material accounting policies (continued)

5.2 Fair value measurement (continued)

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

The Group measures its financial assets at fair value through profit or loss, at fair value at each reporting date.

Financial assets and financial liabilities measured at fair value in the consolidated statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

5.3 Foreign currency translation

Functional and presentation currency

The Group's consolidated financial statements are presented in Arab Emirates Dirham ("AED"), which is also the Company's functional currency. All values are rounded to the nearest thousand (AED "000') except when otherwise indicated.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the Company, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at period-end exchange rates are recognised in profit or loss, except for monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognised in OCI.

Non-monetary items are not retranslated at the period-end. They are measured at historical cost (translated using the exchange rates at the transaction date).

Foreign operations

In the Group's consolidated financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than the AED are translated into AED upon consolidation. The functional currencies of entities within the Group have remained unchanged during the reporting period.

On consolidation, assets and liabilities of foreign operations have been translated into AED at the closing rate at the reporting date. Income and expenses have been translated into AED at the average rate over the reporting period. Exchange differences on the Group's net investment in a foreign operation are charged to other comprehensive income and recognised in the currency translation reserve in equity. On disposal of a foreign operation, the related cumulative translation differences recognised in equity are reclassified to profit or loss and are recognised as part of the gain or loss on disposal.

5 Material accounting policies (continued)

5.4 Property and equipment

Property and equipment are initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by management. Property and equipment are subsequently measured at cost less accumulated depreciation and impairment losses, if any.

Acquisition includes the cost of replacing part of the property and equipment. When significant parts of property and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Land is not depreciated. Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of property and equipment. The following useful lives are applied:

- Buildings 5 to 10 years
- Machinery 2 to 5 years
- Furniture, fixtures and equipment 2 to 5 years
- Motor vehicles 3 to 5 years

An item of property and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss either within other income or other expenses.

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

5.5 Leased assets

The Group as a lessee

The Group assesses whether a contract is or contains a lease at inception of the contract. A lease conveys the right to direct the use and obtain substantially all of the economic benefits of an identified asset for a period of time in exchange for consideration.

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

Right-of-use assets

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

The Group depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term as follows:

- Offices space 3 year
- Land 18 years
- Vehicles 3 years

The Group also assesses the right-of-use asset for impairment when such indicators exist.

5 Material accounting policies (continued)

5.5 Leased assets (continued)

Lease liabilities

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the Group's incremental borrowing rate because as the lease contracts are negotiated with third parties it is not possible to determine the interest rate that is implicit in the lease.

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

Subsequent to initial measurement, the liability will be reduced by lease payments that are allocated between repayments of principal and finance costs. The finance cost is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability.

The lease liability is reassessed when there is a change in the lease payments. Changes in lease payments arising from a change in the lease term or a change in the assessment of an option to purchase a leased asset. The revised lease payments are discounted using the Group's incremental borrowing rate at the date of reassessment when the rate implicit in the lease cannot be readily determined. The amount of the remeasurement of the lease liability is reflected as an adjustment to the carrying amount of the right-of-use asset. The exception being when the carrying amount of the right-of-use asset has been reduced to zero then any excess is recognised in profit or loss.

Payments under leases can also change when there is either a change in the amounts expected to be paid under residual value guarantees or when future payments change through an index or a rate used to determine those payments, including changes in market rental rates following a market rent review. The lease liability is remeasured only when the adjustment to lease payments takes effect and the revised contractual payments for the remainder of the lease term are discounted using an unchanged discount rate. Except for where the change in lease payments results from a change in floating interest rates, in which case the discount rate is amended to reflect the change in interest rates.

The remeasurement of the lease liability is dealt with by a reduction in the carrying amount of the right-of-use asset to reflect the full or partial termination of the lease for lease modifications that reduce the scope of the lease. Any gain or loss relating to the partial or full termination of the lease is recognised in profit or loss. The right-of-use asset is adjusted for all other lease modifications.

Short-term leases and leases of low-value assets

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

An operating lease is a lease other than a finance lease. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in other income in the consolidated statement of profit or loss due to its non-operating nature.

Group as a lessor

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the lessee is classified as a finance lease.

An operating lease is a lease other than a finance lease. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in other income in the consolidated statement of profit or loss due to its non-operating nature.

5 Material accounting policies (continued)

5.6 Investments in associates

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

Investments in associates is accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment in associate is increased or decreased to recognise the Group's share of the profit or loss of the associate, adjusted where necessary to ensure consistency with the accounting policies of the Group. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

Where the Group's share of losses in investment in associate equals or exceeds its equity accounted interest in the entities, including any other unsecured long-term receivables, the Group does not recognise further losses unless it has incurred obligations or made payments on behalf of the other entity.

The consolidated statement of profit or loss reflects the Group's share of the results of operations of the associates. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses on transactions between the Group and its associates are eliminated to the extent of the Group's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss within "Share of results of associates" in the consolidated statement of profit or loss. Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

5.7 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. Except for trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, 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. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price.

5 Material accounting policies (continued)

5.7 Financial instruments

order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

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. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

- Financial assets at amortised cost;
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- Financial assets at fair value through profit or loss

Financial assets at amortised cost

This is the category most relevant to the Group. 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.

The Group's financial assets at amortised cost include contract assets, retention, trade and other receivables, due from related a party and cash at bank.

Financial assets at fair value through profit or loss

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

This category includes Financial assets at fair value through profit or loss. Dividends Financial assets at fair value through profit or loss investments are recognised as other income in the consolidated statement of profit or loss when the right of payment has been established.

Other categories of financial assets are not applicable to the Group.

5 Material accounting policies (continued)

5.7 Financial instruments (continued)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

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

The Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category (ie Stage 1) while 'lifetime expected credit losses' are recognised for the second category (ie Stage 2).

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

5 Material accounting policies (continued)

5.7 Financial instruments (continued)

Impairment of financial assets (continued)

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

Refer to Note 6.2 for a detailed analysis of how the impairment requirements of IFRS 9 are applied.

The Group considers a financial asset in default when contractual payments are 120 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.

Financial liabilities

Initial recognition and measurement

The Group has classified its financial liabilities, at initial recognition, as bank borrowings, trade and other payables contract liabilities and lease liabilities as appropriate.

All of the Group's financial liabilities are recognised initially at fair value net of directly attributable transaction costs.

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

Subsequent measurement

Subsequently, bank borrowings, trade and other payables contract liabilities and lease liabilities are measured at amortised cost using the effective interest method.

All interest-related charges are included within finance costs.

Derecognition

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

Offsetting of financial instruments

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

5 Material accounting policies (continued)

5.8 Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. An impairment loss is recognised for the amount by which the asset's (or cash-generating unit's) carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use.

To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

The data used for impairment testing procedures is directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessments of the time value of money and asset-specific risk factors. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

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

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

5.9 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and term deposits, together with other short-term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are included under liabilities due to their financing nature to the Group.

5.10 Revenue from contracts with customers

Revenue arises mainly from water Contracting for wastewater, water and sludge treatment plants.

To determine whether to recognise revenue, the Group follows a 5-step process:
1 Identifying the contract with a customer
2 Identifying the performance obligations
3 Determining the transaction price
4 Allocating the transaction price to the performance obligations, and then
5 Recognising revenue when/as performance obligation(s) are satisfied

The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the services before transferring them to the customer.

5 Material accounting policies (continued)

5.10 Revenue from contracts with customers (continued)

Wastewater, water and sludge treatment services

Revenue from contracts for wastewater, water and sludge treatment services is recognised over time using an input method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Group.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., delivery of services or warranties etc.). In determining the transaction price, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Contracts with customers specify that the Group is liable to pay penalty or for liquidated damages if certain conditions specified in the contract are not met for reasons not attributable to the customer. This penalty amount may vary for different contracts and/or customers. When the Group identifies the existence of variable consideration, it will estimate the amount of the consideration at contract inception by using the expected value approach and recognise a liability for the expected future losses.

Contract modifications

Variation orders or modifications to original contracts are common to the Group considering the long-term contracting nature of business. The terms for variation orders are defined in each contract. Generally, variations are priced by reference to the per unit rates agreed in the contract and the revised quantities required for the completion of the contract. In accordance with IFRS 15, the Group will account for a modification through a cumulative catch-up adjustment if the goods or services in the modification are not distinct and are part of a single performance obligation that is only partially satisfied when the contract is modified. Alternatively, the Group will account for a contract modification as a separate contract if the scope of contract increases due to addition of distinct goods or services and price of the contract increases by an amount that reflects the Group's standalone selling prices.

Warranty obligations

The Group provides its customers warranty against defects arising from normal and/or expected usage and maintenance for a period of 1 year from the date of taking over certificates. Management assessed that 1-year warranty for defects are considered as an assurance type warranty as this warranty is necessary to ensure that the delivered products/services are as specified in the contract for a minimum period. There is no separate performance obligation for this warranty.

The extended warranty which is given by the Group for a period longer than required by the normal practice, is usually for the purpose of detecting errors or defects in the work performed and is necessary to provide assurance that the goods or services comply with the agreed upon specifications, and accordingly, such warranties are treated as assurance type warranty. Otherwise, and in rare cases, such warranty will be treated as a service type warranty and thus will be considered as a separate performance obligation.

Where warranty is considered as an assurance type warranty, the Group accrues for the cost of satisfying the warranty liability on the basis of historical experiences in accordance with the provisions of IAS 37.

5 Material accounting policies (continued)

5.10 Revenue from contracts with customers (continued)

Contract balances

Contract assets

A contract asset is initially recognised for revenue earned from services because the receipt of consideration is conditional on successful completion of the service. Upon completion of the service and acceptance by the customer, the amount recognised as contract assets is reclassified to trade receivables.

Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section in note 5.6 *Financial instruments*.

Trade receivables

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section in note 5.6 *Financial instruments*.

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

5.11 Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the goods or services, or as incurred. Expenditure for warranties is recognised when the Group incurs an obligation, which is typically when the related goods are sold.

5.12 Equity and reserves

Share capital represents the nominal (par) value of shares that have been issued.

Share premium includes any premiums received on the issue of share capital while a share discount reflects the amount for which shares are issued below par value. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Share discount is recognized as a reduction of the share premium, or if insufficient premium exists, it is recognized as a separate component of equity. In cases where the issuance costs exceed the share premium, the excess is also treated as a reduction of equity.

Other components of equity include the following:

- Treasure shares – Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group’s own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in the share premium (see Note 15)
- Statutory reserve – comprises annual transfers from the Group’s profit (see Note 16)
- Mandatory convertible Sukuks – represent equity, that will be automatically converted into the Company's ordinary shares after a period of 5 years (see Note 17)
- Foreign currency translation reserve – comprises foreign currency translation differences arising from the translation of the financial statements of the Group’s foreign entities into AED.
- Retained earnings/(accumulated losses) include all current and prior period retained profits or losses.

5 Material accounting policies (continued)

5.12 Equity and reserves (continued)

- Basic earnings per share: Basic earnings per share is calculated by dividing the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares, by the weight average number of ordinary shares in issue during the year (excluding ordinary shares purchased by the Group and held as treasury shares).
- Diluted earnings per share: Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Group does not have any categories of dilutive potential ordinary shares, hence the diluted earnings per share is the same as the basic earnings per share.

5.13 Provisions

General

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Group and amounts can be estimated reliably. The timing or amount of the outflow may still be uncertain. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.
Any reimbursement that the Group is virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provision for legal cases

The Group recognizes a provision for legal cases when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation resulting from past events, and a reliable estimate can be made of the amount of the obligation.

Provisions are determined based on management's best estimate of the probable outcome of the legal cases, considering legal counsel's advice and past experience. When time value of money is material, the estimates are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the legal obligations. The unwinding of the discount is recognized as a finance cost in the consolidated statement of profit or loss. Changes in the estimated outcome of the legal cases or in the discount rate are recognized in the consolidated statement of profit or loss in the period of the change.

Warranty provisions

The Group provides warranties for general repairs of defects that existed at the time of sale, as required by law. Provisions related to these assurance-type warranties are recognised when the product is sold, or the service is provided to the customer. Initial recognition is based on historical experience. The estimate of warranty-related costs is revised annually.

5.14 Contingent liabilities

No liability is recognised if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

5 Material accounting policies (continued)

5.15 Employees' end of service benefits

The Group provides end of service benefits to its employees in accordance with the applicable laws. The entitlement to these benefits is based upon the employees' salary and length of service, subject to the completion of a minimum service period of 1 year from the date of joining. The expected costs of these benefits are accrued over the period of employment. The provision for employees' end of service benefits is reported as separate line item under non-current liabilities in the consolidated statement of financial position.

5.16 Disposal groups and non-current assets held for sale

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the consolidated statement of financial position.

5.17 Discontinued operations

A discontinued operation is a component of the Group that either has been disposed of or is classified as held for sale. A discontinued operation represents a separate major line of the business. Profit or loss from discontinued operations comprises the post-tax profit or loss of discontinued operations and the post-tax gain or loss recognised on the measurement to fair value less costs to sell or on the disposal group(s) constituting the discontinued operation

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss. All other notes to the consolidated financial statements include amounts for continuing operations, unless indicated otherwise.

5.18 Taxes

Tax expense recognised in consolidated statement of profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income 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.

5 Material accounting policies (continued)

5.18 Taxes (continued)

Current income tax (continued)

Current income tax relating to items recognised directly in equity is recognised in equity and not in the consolidated statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses to the extent that it is probable that taxable profit will be available to be utilised, except in circumstances where IAS 12 does not permit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets are recognised to the extent it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

Deferred tax liabilities are generally recognised in full, although IAS 12 specifies limited exemptions.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Value added tax

Expenses and assets are recognised net of the amount of value added tax, except:

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

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated financial statements.

6 Significant judgements and estimation uncertainty

When preparing the Group's consolidated financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, revenue and expenses.

6 Significant judgements and estimation uncertainty (continued)

6.1 Significant management judgements

The following are the significant judgements made by management in applying the accounting policies of the Group that have the most significant effect on these consolidated financial statements.

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

Determining the timing of satisfaction of contract revenue

For some of the Group's contracts with customers significant judgement is required to assess whether control of the related performance obligation(s) transfers to the customer over time or at a point in time in accordance with IFRS 15. Specifically, for contracts that involve developing a customer-specific asset with no alternative use to the Group, judgement is needed to determine whether the Group is entitled to payment for its performance throughout the contract period if the customer sought to cancel the contract.

In making this assessment the Group compares the amount it is entitled to collect based on the agreed payment schedule to the estimated level of costs at all stages in the contract.

6.2 Estimation uncertainty

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

Allowance for expected credit losses of trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in Note 38.2.

Estimated total contract costs

The Group determines the measurement of estimated total contract cost based on assessment of future activity of the contract. As the contract progresses, the Group reviews and, when necessary, revises the estimates of contract revenue and contract costs based on assessments of the outcome of future events. The estimates are revised as events occur and uncertainties are resolved. Any expected loss on a contract is recognised immediately.

7 Property and equipment

	Land and buildings AED'000	Machinery AED'000	Furniture, fixtures and equipment AED'000	Motor vehicles AED'000	Total AED'000
2024					
Cost					
As at January 1,	8,688	7,534	6,175	1,100	23,497
Additions	38	-	76	163	277
Currency translation differences	(6)	(98)	(172)	(243)	(519)
As at December 31,	8,720	7,436	6,079	1,020	23,255
Accumulated depreciation					
As at January 1,	8,627	7,534	6,050	515	22,726
Charge for the year	16	-	209	27	252
Disposals	19	(98)	(229)	3	(305)
As at December 31,	8,662	7,436	6,030	545	22,673
Net carrying amount as at December 31,	**58**	**-**	**49**	**475**	**582**
2023 (Restated)					
Cost					
As at January 1,	21,060	15,586	25,841	1,405	63,892
Additions	16	-	79	-	95
Disposals	(12,389)	(6,125)	(15,669)	-	(34,183)
Transfers out	-	-	(71)	-	(71)
Currency translation differences	3	59	90	51	203
Related to discontinued operations	(2)	(1,986)	(4,095)	(356)	(6,439)
As at December 31,	8,688	7,534	6,175	1,100	23,497
Accumulated depreciation					
As at January 1,	8,595	15,316	25,652	935	50,498
Charge for the year	4	6	255	20	285
Disposals	-	(6,125)	(15,669)	-	(21,794)
Transfers out	-	-	(18)	(174)	(192)
Currency translation differences	30	337	(110)	83	340
Related to discontinued operations	(2)	(2,000)	(4,060)	(349)	(6,411)
As at December 31,	8,627	7,534	6,050	515	22,726
Net carrying amount as at December 31,	61	-	125	585	771

Disposal of land in 2023 pertains to plots of land of the Group that were auctioned by the Dubai Court in respect of legal cases filed against the Company to which these properties were attached.

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

	2024 AED'000	2023 (Restated) AED'000
General and administrative expenses (Note 29)	**171**	189
Cost of revenue (Note 28)	**81**	96
	252	285

8 Leases

The Group has lease contracts for land, office premises and motor vehicles used in its operations.

Set out below are the carrying amounts of right-of-use assets recognized and the movements during the year:

	2024	2023
		(Restated)
	AED'000	AED'000
As at January 1,	2,161	2,966
Additions	4,976	-
Depreciation (Note 29)	(579)	(833)
Currency translation differences	(125)	28
As at December 31,	**6,433**	2,161

Set out below are the carrying amounts of lease liabilities recognised and the movements during the year:

	2024	2023
		(Restated)
	AED'000	AED'000
As at January 1,	2,107	3,212
Additions	4,976	-
Accretion of interest (Note 32)	142	108
Payments	(781)	(763)
Currency translation differences	43	(450)
As at December 31,	**6,487**	2,107

Disclosed in the consolidated statement of financial position at December 31 as follows:

	2024	2023
		(Restated)
	AED'000	AED'000
Non-current	5,164	1,944
Current	1,323	163
	6,487	2,107

Maturity analysis and undiscounted future contractual cash flows of lease liabilities are disclosed in Note 38.3.

The following are the amounts recognised in the consolidated statement of profit or loss with relation to leases:

	2024	2023
		(Restated)
	AED'000	AED'000
Depreciation of right-of-use assets (Note 29)	579	833
Interest on lease liabilities (Note 32)	142	142
Expense relating to short-term leases (Note 29)	1,809	573
	2,530	1,548

8 Leases (continued)

The Group does not have lease contracts that contain variable payments. The Group's lease contracts contain extension and termination options, which have not been included in lease liabilities. The Group had total cash outflows for leases of AED 781 thousand in 2024 (2023: AED 763 thousand). The Group also had non-cash additions to right-of-use assets and lease liabilities of AED 4,976 thousand in 2024 (2023: AED Nil)

9 Investment in an associate

The Group has a 49% interest in Campco Properties LLC (Note 40), classified as associate and involved in the business of real estate lease and management services. The Group's interest in Campco Properties LLC is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the associate, based on its IFRS financial statements, is set out below:

Summarised statement of financial position

	2024	2023
		(Restated)
	AED'000	AED'000
Non-current assets	**77,341**	81,437
Current assets	**327**	2,123
Non-current liabilities	**(5,018)**	(5,291)
Current liabilities	**(96,111)**	(94,449)
Net assets	**(23,461)**	(16,180)
The Group's share in equity of the associate (40%)	**-**	-

Summarised statement of profit or loss

	2024	2023
		(Restated)
	AED'000	AED'000
Revenue	**2,769**	1,932
Cost of revenue	**(9,049)**	(7,433)
Gross loss	**(6,280)**	(5,501)
General and administrative expenses	**(1,218)**	(548)
Other income	**219**	188
Loss for the year	**(7,279)**	(5,861)

The Group has reduced the carrying amount of the investment in the associate to nil, and accordingly, has not accounted for and liability related to additional losses on the basis that it does not have any legal or constructive obligations towards such losses.

10 Investment property

Investment property represents the Group's fully depreciated labour camp building located in Dubai Investment Park (DIP), Dubai.

The Group has no restrictions on the realisability of its investment property and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

The fair value of the investment property as at December 31, 2024 is estimated at AED 9.74 million (2023: AED 18.3 million).

10 Investment property (continued)

The fair value is based on a valuation performed by an accredited independent valuer. The valuation is prepared in accordance with The Royal Institute of Chartered Surveyors (RICS) Valuation Professional Standards 2014 (the 'Red Book') as published by The Royal Institution of Chartered Surveyors ("RICS") which incorporate the International Valuation Standards Council's International Valuation Standards.

The above valuation of the property is determined on the basis of market approach that reflects observed prices for recent market transactions for similar properties and incorporates adjustments for factors specific to the property subject to valuation including. The significant input, which is unobservable, is the price per square foot.

11 Trade and other receivables

	2024	2023
		(Restated)
	AED'000	AED'000
Financial assets at amortized cost:		
Trade receivables, gross	**436,747**	464,795
Less: allowance for expected credit losses	**(422,120)**	(435,040)
Trade receivables, net	**14,627**	29,755
Retentions receivable	**11,156**	10,139
Balance held with a third-party licensed Market Maker (Note 15)	**30,907**	-
Accrued interest	**2,163**	-
Refundable deposits	**110**	3,103
Other receivables	**21,974**	17,810
	80,937	60,807
Non-financial assets at amortized cost:		
Prepayments	**1,473**	1,422
Advance to suppliers	**8,237**	10,662
VAT receivable	**25,220**	22,196
	115,867	95,087
Less: non-current portion of retentions receivable	**(7,386)**	(5,861)
Trade and other receivables - current	**108,481**	89,226

The movement in the allowance for expected credit losses during the year is as follows.

	2024	2023
		(Restated)
	AED'000	AED'000
Balance as at January 1,	**435,040**	520,353
Charge for the year	**397**	21,173
Transfer to discontinued operations	**-**	(96,887)
Discounting impact	**(249)**	583
Write-offs	**(13,979)**	-
Currency translation differences	**911**	(10,182)
Balance as at December 31,	**422,120**	435,040

12 Financial asset at fair value through profit or loss

	2024	2023
	AED'000	AED'000
Investment in a real estate fund	**1,351**	986

12 Financial asset at fair value through profit or loss (continued)

The fair value of the fund is based on the net asset value provided by the fund manager. It represents the liquidation/redemption value assessed by the fund manager based on observable market data.

During the year, the Group recognised a change in fair value gain of AED 365 thousand on the financial asset at fair value through profit or loss (2023: AED 7 thousand) (Note 31).

13 Cash and cash equivalents

	2024	2023
		(Restated)
	AED'000	AED'000
Bank balances*	**405,502**	70,720
Cash in hand	**615**	1,185
	406,117	71,905
Less: allowance for expected credit losses	**(15,588)**	-
Bank balances and cash	**390,529**	71,905
Less: bank overdrafts (Note 21)	**(6,420)**	(471,515)
Less: fixed deposits with original maturity of more than three months	**(180,030)**	-
Less: deposits under lien*	**(32,524)**	(49,981)
Cash and cash equivalents	**171,555**	(449,591)

*Bank balances include deposits under lien against bank guarantees amounting to AED 32,524 thousand (2023: AED 49,981 thousand) that carry an average interest ranging between 4.0% to 7.7% per annum (2023: 4.0% to 7% per annum).

14 Share capital

	2024	2023
	AED'000	AED'000
Authorized, issued and fully paid 2,886,697,023 shares of AED 1 each (2023: 1,070,987,748 shares of AED 1 each)	**2,886,697**	1,070,988

During the year ended December 31, 2024, the Company raised additional capital of AED 453,927 thousand through issuance of share capital at a discount of 75% (AED 0.25 per share against a par value of AED 1 per share) resulting in a share discount of AED 1,361,782 thousand. The increase in share capital resulted in an increase in the number of shares by 1,816 million to 2,887 million shares and an increase in the share capital by AED 1,815,709 thousand.

15 Treasury shares

During the year, the Company engaged a third-party licensed Market Maker on the Dubai Financial Market that offers liquidity provision services, to place buy and sell orders of the Company's shares with the objective of reducing bid/ask spreads as well as reducing price and volume volatility. The appointment of the Market Maker was approved by the shareholders in their meeting held on May 14, 2024. As at December 31, 2024, the Market Maker held 1,226,412 of the Company's shares on behalf of the Company, which are classified under equity as treasury shares at an acquisition cost of AED 433 thousand. A cumulative gain on disposal of AED 2,552 thousand has been recognised for the year ended December 31, 2024 under share premium. At December 31, 2024 the Company held a balance with the Market Maker to be utilised for the acquisition of treasury shares (Note 11).

16 Statutory reserve

In accordance with the UAE Federal Law by Decree No. 32 of 2021, 10% of the net profit for year is required to be transferred to a statutory reserve. Such transfers may be ceased when the statutory reserve equals half of the paid-up share capital of the Company. This reserve is non-distributable except in certain circumstances stipulated by the law. During the year, AED 353,694 thousand was transferred to statutory reserve (2023: no transfer has been made as the Group reported losses).

17 Mandatory convertible Sukuks

Following the implementation of the restructuring settlement plan (Note 36), the Company issued 73,626 Mandatory Convertible Sukuks ("MCSs") to its qualified creditors at the rate of AED 5,000 per MCS totalling AED 368,130 thousand.

MCSs are convertible into ordinary shares of the Company after a period of 5 years from the date of their issuance. In accordance with the MCS agreement, the overall converted shares shall be 35% of the overall issued capital of the Company post conversion. Therefore, any further issuance would dilute the holding percentage of existing MCS holders.

18 Partly owned subsidiary

	Proportion of interest and voting rights held by non-controlling interest	
Subsidiary:	**2024**	2023
Drake & Scull International LLC (Oman) (Note 35)	**49%**	49%

The movement in the non-controlling interest during the year was as follows:

	2024	2023
		(Restated)
	AED'000	AED'000
As at January 1	**(126,458)**	(126,528)
Share of profit	**3,805**	64
Share of other comprehensive income	**(5)**	6
As at December 31	**(122,658)**	(126,458)

Summarised financial information for Drake & Scull International LLC (Oman), before intragroup eliminations, is set out below:

Statement of financial position

	2024	2023
		(Restated)
	AED'000	AED'000
Cash at bank	**105**	378
Bank borrowing	**(95,294)**	(95,266)
Trade and other payable	**(27,663)**	(27,292)
Due to related party	**(27,181)**	(36,773)
Total liabilities	**(150,138)**	(159,331)
Deficiency of assets	**(150,033)**	(158,953)
Non-controlling interest	**(122,658)**	(126,458)

Bank borrowing amounting to AED 95 million relates entirely to the non-controlling interest given that the Company's share of the borrowing has been written-back and converted into MCSs as part of the approved restructuring settlement plan (Note 36).

18 Partly owned subsidiary (continued)

Summarized statement of profit or loss

	2024 AED'000	2023 AED'000
Other income	**7,765**	274
General and administrative expenses	**-**	(143)
Profit for the year	**7,765**	131
Share of non-controlling interest at 49% (2023: 49%)	**3,805**	64

19 Employees' end of service benefits

Movements in the provision recognised in the consolidated statement of financial position are as follows:

	2024 AED'000	2023 (Restated) AED'000
As at January 1,	**12,045**	14,008
Charge for the year	**758**	1,211
Transferred to trade payables and accruals*	**(1,186)**	(2,983)
Paid during the year	**(1,579)**	(298)
Tranferred to discontinued operations	**-**	(352)
Currency translation differences	**(909)**	459
As at December 31,	**9,129**	12,045

*During the year, the Group reclassified provision for end of service benefits to trade payables and accruals being liabilities pertaining to individuals who are no longer engaged with the Group. This transaction has been eliminated in the consolidated statement of cash flows being a non-cash transaction.

20 Provisions

	2024 AED'000	2023 (Restated) AED'000
Provision for legal cases	**33,885**	114,321
Provision for bond encashment (Note 30)	**14,017**	-
Provision related to bank liabilities	**-**	1,385,360
Provision related to a subsidiary with loss of control	**-**	9,500
Provision related to overseas subsidiaries	**-**	36,000
	47,902	1,545,181

The movement in the provisions during the year is as follows:

	2024 AED'000	2023 (Restated) AED'000
Balance as at January 1,	**1,545,181**	1,421,828
Additional provisions made (Note 30)	**28,651**	123,353
Write-back of provision under approved restructuring plan (Note 36)	**(1,246,824)**	-
Conversion of provisions to MCSs (Note 36)	**(138,536)**	-
Reversal of provision for contingent liabilities of overseas operations (Note 31)	**(36,000)**	-
Transferred to trade and other payables	**(53,005)**	-
Reversal of provisions (Note 36)	**(51,565)**	-
	47,902	1,545,181

21 Bank borrowings

	2024	2023 (Restated)
	AED'000	AED'000
Bank overdrafts (Note 13)	**6,420**	391,412
Bond encashment	**2,312**	106,456
Trust receipts	**-**	142,209
Term loans	**-**	1,443,964
	8,732	2,084,041

Following the implementation of the restructuring settlement plan, bank borrowings of AED 1,574,003 thousand have been written back in the consolidated statement of profit or loss and of AED 174,785 thousand were converted into MCSs (Note 36).

Bank overdrafts carry interest rate ranging between 2% to 12% per annum (2023: 2% to 12% per annum). One the overdraft facilities is secured against corporate guarantee from the Company amounting to Euro 4 million (2023: Euro 4 million).

22 Trade and other payables

	2024	2023 (Restated)
	AED'000	AED'000
Financial liabilities at amortized cost:		
Trade payables	**65,195**	405,646
Employee liabilities	**69,004**	87,436
Accrued expenses	**10,546**	22,799
Payable against bond encashment	**-**	24,086
	144,745	539,967
Non-financial liabilities at amortized cost:		
Withholding tax payable	**5,751**	5,746
Unearned income	**8**	319
	150,504	546,032

Following the implementation of the restructuring plan, trade payables of AED 339,360 thousand and payable against bond encashment of AED 21,969 thousand have been written back in the consolidated statement of profit or loss and trade payables of AED 24,053 thousand and payable against bond encashment of AED 2,441 thousand have been converted into MCSs (Note 36).

23 Related party balances and transactions

Related parties represent major shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management in line with the approval of the Group's Board of Directors.

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

Due from related parties

	2024	2023 (Restated)
	AED'000	AED'000
Campco Properties LLC – *Associate*	**76,474**	76,159
Less: allowance for expected credit loss	**(23,227)**	(23,227)
	53,247	52,932
International Avenue Investments LLC – *Affiliate*	**-**	14,824
	53,247	67,756

23 Related party balances and transactions (continued)

Due to related parties

	2024 AED'000	2023 AED'000
Affiliates:		
Specon LLC	**-**	24,909
Tabarak Investments	**-**	16,315
	-	41,224

Following the implementation of the restructuring settlement plan, due to related parties of AED 37,102 thousand have been written back in the consolidated statement of profit or loss and of AED 4,122 thousand were converted into MCSs (Note 36).

Transactions with related parties are entered into on mutually agreed terms and conditions.

Compensation of key management personnel

	2024 AED'000	2023 AED'000
Short-term benefits	**3,173**	2,442
End of service benefits	**120**	122
	3,293	2,564

24 Contingencies and commitments

	2024 AED'000	2023 AED'000
Contingencies:		
Letters of guarantee	**281,182**	406,265
Performance bonds	**261,500**	339,598
	542,682	745,863
Commitments:		
Letters of credit	**4,653**	-

Legal cases - the Group as plaintiff

During the year 2018, the Group informed DFM that there were suspicious material financial violations by the previous management of the Group which are currently under investigation by the designated authorities in the UAE. Accordingly, the Company has filed civil and criminal cases against the previous management and others with respect of these violations whereby criminal complaints were filed with the Abu Dhabi Public Funds Prosecutor's office. These legal cases are ongoing, and the Company is continuously following up with their status with the objective to protect the rights of the shareholders of the Company.

Legal cases - the Group as defendant

The Group is facing multiple civil cases from ex-employees mainly related to non-payment of their dues. Management assessed and concluded that in respect of the employee cases, sufficient provisions are recognized by the Group at the reporting date.

The Group is also facing several civil legal cases with suppliers and subcontractors for non-payment of their dues. On the basis that any such claims that may be approved by the expert appointed by the Court will be subject to the settlement criteria of 90% write-back and 10% settlement in cash or Sukuk, management has concluded that no additional provisions are required to be recognized by the Group. Nonetheless, and given that all major lenders and creditors have already made their claims, management does not expect that such future claims will be material. The Company has commenced the settlement of legal cases with ex-employees and commercial creditors according to the restructuring plan during the third quarter of 2024.

24 Contingencies and commitments (continued)

Taxation

The Group has not recognized income tax expense against the gain on write-back of liabilities under approved restructuring settlement plan recognized in the consolidated statement of profit or loss for the year ended December 31, 2024 based on the tax advice received from an independent tax expert and management's interpretation of the UAE Corporate Tax Law that such income does not attract tax under the UAE tax laws (Note 33). Management has requested for a private clarification from the Federal Tax Authority ("FTA") with regards to such tax treatment, which is still under the review of the FTA at the date of the issuance of these consolidated financial statements, and is confident that it will receive a favourable response from FTA in this regard. Any tax liability to be recognized in subsequent periods with relation to this write-back is dependent on the final response from the FTA.

25 Categories of financial assets and financial liabilities

The carrying amounts presented in the consolidated statement of financial position relate to the following categories of assets and liabilities:

	2024	2023 (Restated)
	AED'000	AED'000
Financial assets at amortised cost:		
Non-current		
Retentions receivable	**7,386**	5,861
Current		
Trade and other receivables	**73,551**	54,946
Contract assets	**14,718**	16,593
Amounts due from related parties	**53,247**	67,756
Bank balances	**405,502**	70,720
	547,018	210,015
	554,404	215,876
Financial liabilities at amortised cost:		
Trade and other payables	**144,745**	539,967
Amounts due to related parties	**-**	41,224
Lease liabilities	**7,219**	3,040
Bank borrowings	**8,732**	2,084,041
	160,696	2,668,272

Note 5.6 provides a description of each category of financial assets and financial liabilities and the related accounting policies. A description of the Group's financial instrument risks, including risk management objectives and policies is given in Note 38.

26 Revenue from contract with customers

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	2024	2023
		(Restated)
	AED'000	AED'000
Type of revenue:		
Wastewater, water and sludge treatment projects	**101,839**	76,650
Plumbing projects	**1,833**	6,073
Contracting services	**-**	3,563
	103,672	86,286
Geographical market:		
Republic of India	**47,091**	36,169
Romania	**28,999**	26,568
Republic of Tunisia	**20,312**	8,015
Kingdom of Jordan	**3,230**	1,403
Kingdom of Saudia Arabia	**2,129**	70
United Arab Emirates	**1,833**	6,300
Republic of Moldova	**-**	3,597
Others	**78**	4,164
	103,672	86,286

All of the Group's revenue is recognized over time.

Information about segment reporting is disclosed in Note 27 of these consolidated financial statements.

Contract balances

	2024	2023
	AED'000	AED'000
Retentions receivable (Note 11)	**11,156**	10,139
Trade receivable, net (Note 11)	**14,627**	29,755
Contract assets, net (see below)	**14,718**	16,593
Contract liabilities (see below)	**36,093**	32,095

Trade receivables

Trade receivables are non-interest bearing and are generally on terms of 60 to 120 days from the date of billing. In 2024, AED 397 thousand was recognised as allowance for expected credit losses on trade receivables (2023: AED 21,173 thousand) (Note 11).

Contract assets

Contract assets relate to revenue earned from wastewater treatment and water sludge services contracts. As such, the balances of this account vary and depend on the number of ongoing contracts at the end of the year.

	2024	2023
	AED'000	AED'000
Amount due from contracts with customers	**188,022**	190,590
Less: allowance for expected credit losses	**(173,304)**	(173,997)
	14,718	16,593

26 Revenue from contract with customers (continued)

Contract balances (continued)

Contract liabilities

	2024 AED'000	2023 AED'000
Due to customers for contract work	**22,466**	5,209
Short-term customer advances	**13,627**	26,886
	36,093	32,095

27 Segment reporting

Information regarding the Group's operating segments set out below is in accordance with IFRS 8 "Operating Segments". IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the "Executive management" who are the Chief Operating decision-makers in order to allocate resources to the segment and to assess its performance. Executive management assesses the performance of the operating segments based on revenue.

Business segments

For management purposes, the Group is organised into business units based on their types of services and has three reportable business segments which are: (1) wastewater treatment and water sludge, (2) Mechanical Electrical and Plumbing (MEP), and (3) Corporate.

The wastewater treatment and water sludge business involves the construction of plants for purification of contaminated water through various treatment processes and the management of the resulting solid byproducts (sludge) for safe disposal or reuse.

The MEP segment carries out contracting work relating to the construction industry, such as mechanical, electrical, plumbing and sanitation work.

Corporate segment represents the corporate office of the Group.

27 Segment reporting (continued)

Segment information for the year ended December 31 is as follows.

	For the year ended December 31, 2024				For the year ended December 31, 2023			
	Wastewater treatment and water sludge	**MEP**	**Corporate**	**Total**	Wastewater treatment and water sludge (Restated)	MEP (Restated)	Corporate (Restated)	Total (Restated)
	AED'000	**AED'000**	**AED'000**	**AED'000**	AED'000	AED'000	AED'000	AED'000
Revenue								
External customers	**101,839**	**1,833**	**-**	**103,672**	76,650	9,636	-	86,286
Income/(expense)								
Sub-contracting cost	**(39,280)**	**-**	**-**	**(39,280)**	(36,554)	(1,001)	-	(37,555)
Material costs	**(42,523)**	**(1,836)**	**-**	**(44,359)**	(16,900)	-	-	(16,900)
Other direct costs	**(14,755)**	**-**	**-**	**(14,755)**	(18,795)	(7,966)	-	(26,761)
General and administrative expenses	**(13,217)**	**(21,375)**	**(5,158)**	**(39,750)**	(9,455)	(12,260)	(14,430)	(36,145)
Restructuring costs	**-**	**-**	**(41,915)**	**(41,915)**	-	-	(219)	(219)
Provisions	**(24,307)**	**(3,460)**	**(884)**	**(28,651)**	-	-	(121,807)	(121,807)
Expected credit losses	**(387)**	**(10,054)**	**(5,530)**	**(15,971)**	(1,579)	(23,148)	-	(24,727)
Write back of liabilities under approved restructuring settlement plan	**-**	**528,817**	**3,264,067**	**3,792,884**	-	-	-	-
Other income	**334**	**31,170**	**29,150**	**60,654**	273	2,674	29,951	32,898
Finance income	**770**	**325**	**11,503**	**12,598**	653	-	-	653
Finance cost	**(1,841)**	**(152)**	**(1,371)**	**(3,364)**	(1,464)	(26,407)	(121,690)	(149,561)
Segment (loss)/profit before tax	**(33,367)**	**525,268**	**3,249,862**	**3,741,763**	(7,171)	(58,472)	(228,195)	(293,838)

27 Segment reporting (continued)

	Wastewater treatment and water sludge AED'000	MEP AED'000	Corporate AED'000	Elimination AED'000	Total AED'000
As at December 31, 2024					
Total assets	**163,902**	**335,799**	**952,495**	**(805,170)**	**647,026**
Total liabilities	**148,271**	**233,795**	**505,396**	**(392,171)**	**495,291**
As at December 31, 2023 (Restated)					
Total assets	158,460	342,686	533,940	(719,724)	315,362
Total liabilities	108,882	1,625,212	2,217,626	795,745	4,747,465

28 Cost of revenue

	2024 AED'000	2023 (Restated) AED'000
Sub-contracting costs	**40,109**	37,555
Material costs	**42,523**	16,900
Labour and staff cost	**11,777**	13,955
Depreciation of property and equipment (Note 7)	**81**	96
Other costs	**3,904**	12,710
	98,394	81,216

29 General and administrative expenses

	2024 AED'000	2023 (Restated) AED'000
Salaries and other employee benefits	**20,503**	18,748
Legal and professional fess	**9,312**	4,496
Short-term leases (Note 8)	**1,809**	573
Business development	**1,121**	1,328
Office expenses	**1,018**	895
Depreciation of right-of-use assets (Note 8)	**579**	833
IT related expenses	**556**	4
Business travel	**487**	222
Transportation	**309**	370
Depreciation of property and equipment (Note 7)	**171**	189
Bank charges	**126**	694
Loss on disposal of property and equipment	**-**	4,616
Others	**3,759**	3,177
	39,750	36,145

30 Provisions

	2024	2023
		(Restated)
	AED'000	AED'000
Bond encashment	**14,017**	-
Legal cases	**14,634**	12,042
Liabilities related to disposed subsidiaries	**-**	73,765
Contingent liabilities of overseas operations	**-**	36,000
	28,651	121,807

31 Other income

	2024	2023
		(Restated)
	AED'000	AED'000
Reversal of provision for contingent liabilities of overseas operations (Note 30)	**36,000**	-
Liabilities written-back*	**18,455**	1,967
Recovery of receivables written off in prior periods	**1,854**	29,937
Rental income	**1,212**	937
Change in fair value of financial assets at FVTPL (Note 12)	**365**	7
Others	**2,768**	57
	60,654	32,905

* These liabilities have been written-back as the related dues have been settled with the respective parties and the Group does not expect any further outflow of economic resources with relation to these parties.

32 Finance income and finance cost

	2024	2023
	AED'000	AED'000
Finance income:		
Interest income on bank deposits	**12,598**	653

	2024	2023
		(Restated)
	AED'000	AED'000
Finance cost:		
Interest expense on bank borrowings	**3,222**	149,460
Interest expense on lease liabilities (Note 8)	**142**	108
	3,364	149,568

33 Income tax

On December 9, 2022, the United Arab Emirates (UAE) Ministry of Finance ("MoF") released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax ("CT") to enact a new CT regime in the UAE. The new CT regime has become effective for accounting periods beginning on or after June 1, 2023. Accordingly, the Company and its UAE subsidiaries became taxable effective January 1, 2024 at the rate of 9% applicable to taxable income exceeding AED 375,000.

In addition to the UAE CT, the Group's subsidiaries in various jurisdiction are subject to taxation at different rates of their taxable income. Income tax for the current year is provided on the basis of estimated taxable income computed by the Group using tax rates, enacted or substantially enacted at the reporting date, applicable in the respective countries in which the Group operates and any adjustment to tax in respect of previous periods.

33 Income tax (continued)

The major components of income tax expense or reversal for the years ended December 31, 2024 and 2023 are as follows:

	2024 AED'000	2023 AED'000
Current income tax		
Current income tax (charge) /credit	**(2,509)**	131
Deferred tax		
Relating to origination of temporary differences	**1,800**	-
Income tax (expense)/credit reported in profit or loss	**(709)**	131

Reconciliation of tax expense and the accounting profit multiplied by UAE's domestic tax rate is as follows.

	2024 AED'000
Accounting profit before tax from continuing operations	**3,741,763**
Profit before tax from discontinued operations	**17,532**
Accounting profit before income tax	**3,759,295**
Less: income taxable at the rate of 0%	**(1,125)**
Taxable accounting profit before income tax	**3,758,170**
At the UAE's statutory tax rate of 9%	**338,235**
Non-taxable write back of liabilities under approved restructuring settlement plan* (Note 24)	**(341,360)**
Effect of higher tax rate in foreign jurisdictions	**87**
Effect of non-taxable losses of loss-making entities within the Group	**3,747**
At the effective tax rate of 0.02%	**(709)**

* Based on the tax advice received from the Group's independent tax expert and management's interpretation of the UAE Corporate Tax Law, the write-back of liabilities under approved restructuring settlement plan of AED 3,792,884 thousand has been excluded from the taxable profit by reference to the provisions of the Ministerial Decision No. 120 of 2023 on Adjustments Under the Transitional Rules for the Purposes of Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses. The Group is also seeking for a private clarification from the FTA with regards to such tax treatment (Note 24).

Deferred tax

Deferred tax relates to the following:

	2024 AED'000	2023 AED'000
Carry forward losses*	**15,524**	15,852
Provisions	**400**	-
Expected credit losses	**1,400**	-
Net deferred tax asset	**17,324**	15,852

* Relates to previous period losses of Passavant carried forward, which are available indefinitely to be offset against future taxable profit

33 Income tax (continued)

Deferred tax (continued)

The movement in the deferred tax asset is as follows:

	2024	2023
	AED'000	AED'000
As at January 1,	**15,852**	14,431
Relating to origination of temporary differences	**1,800**	-
Foreign exchange differences	**(328)**	1,421
As at December 31,	**17,324**	15,852

34 Earnings per share

Basic earnings per share ("EPS") is calculated by dividing the profit/(loss) for the year attributable to ordinary equity holders of the Parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the Parent after adjusting for interest on the Mandatory Convertible Sukuks by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	2024	2023 (Restated)
Profit attributable to ordinary equity holders of the Parent:		
- Continuing operations (AED'000)	**3,741,054**	(293,707)
- Discontinued operations (AED'000)	**13,727**	(73,164)
Profit/(loss) attributable to ordinary equity holders of the Parent for basic and diluted earnings (AED'000)	**3,754,781**	(366,871)
Weighted average number of ordinary shares for basic EPS	**2,228,390**	1,070,988
Add: effect of dilution from MCSs	**1,554,375**	1,554,375
Total weighted average number of ordinary shares adjusted for the effect of dilution	**3,782,765**	2,625,363
Earnings per share:		
Basic earnings per share (AED)		
- From continuing operations	**1.679**	(0.274)
- From discontinued operations	**0.006**	(0.068)
Earnings per share	**1.685**	(0.343)
Diluted earnings per share (AED)		
- From continuing operations	**0.99**	(0.11)
- From discontinued operations	**0.004**	(0.028)
Diluted earnings per share	**0.993**	(0.140)

The weighted average number of shares takes into account the weighted average effect of changes in treasury shares during the year.

35 Discontinued operations and subsidiary with a loss of control

The Group has the following entities classified as discontinued operations.

- Drake & Scull International for Contracting SAE (D&S Egypt)
- Drake & Scull International for Electrical for Electrical Contracting WLL (D&S Kuwait)
- Drake & Scull Construction LLC - Algeria (DSC Algeria)
- Drake & Scull Engineering - Algeria (DSE Algeria)
- Drake & Scull Engineering LLC (D&S Jordan)
- Drake & Scull International (DSI Jordan)
- Drake & Scull International Thailand Company Limited (D&S Thailand)
- Drake & Scull International ASIA (DSI ASIA)
- Orient Corner Contracting Company
- Drake & Scull Syria Limited Liability Company - (D&S Syria)
- DSWP - Saudi Arabia (DSWP KSA)
- Drake and Scull Water & Power - (DSWP Qatar)
- International Center for Contracting
- Drake & Scull International LLC (Branch)
- DS International FOR General Contracting
- Drake & Scull International Construction Company LLC
- Drake & Scull International LLC (Oman)
- Oil and Gas Egypt
- Misr Sons DevelopmentS.A.E
- DSI-HLS JointVenture (AUH)
- HLS-DSE JointVenture (DXB) – JOC
- HLS-DSE JointVenture (DXB) – Habtoor

Drake & Scull Construction LLC, Algeria and Drake & Scull Engineering Algeria

On July 20, 2023, Drake & Scull Construction LLC, Algeria received a termination notice from its client in Algeria (Emiral) for its project Zone -1 (consisting of four residential high-rise buildings) and Zone 4 (consisting of fifteen villas) of the Multipurpose real property complex, located in the Town of Staoueli, Wilaya of Algiers. In addition, due to the termination of the main contract with Emiral, Drake & Scull Engineering Algeria as MEP sub-contractor of the project working under Drake & Scull Construction LLC Algeria umbrella, was not able to continue its operations in Algeria.

As the contract with Emiral is the only business in Algeria for Drake & Scull Construction LLC, Algeria and Drake & Scull Engineering Algeria, both subsidiaries stopped their operations completely in Algeria and management does not have the intent to bid for new projects in the country.

Based on the above facts, management decided to treat its operations in Algeria as discontinued operations.

Drake & Scull International for Contracting SAE

Drake & Scull International for Contracting SAE (DSIC) had one project in Egypt (Nile Corniche Project). Although the project was successfully completed and handed over in 2020, the main contractor liquidated DSIC's advance payment guarantee of USD 2,259,718 and performance guarantee of USD 12,895,500 on March 28, 2023, years after DSIC's successful works & project delivery. DSI PJSC is resorting to the dispute resolution clauses in the subcontract agreement that will ultimately lead to taking the main contractor to arbitration as per the subcontract agreement terms and conditions.

The management did not find favorable opportunities within this territory to keep the operation alive and profitable, and accordingly, management decided to treat its operations in Egypt as discontinued operations.

Drake & Scull International Oman

During 2018, management initiated the liquidation of Drake & Scull International Oman, which has reached advanced stages and is expected to be completed during 2025.

35 Discontinued operations and subsidiary with a loss of control (continued)

DSWE India

On October 30, 2018, DSWE was admitted under Insolvency and Bankruptcy Code of India and underwent resolution process. A Resolution Plan submitted by Passavant Energy & Environment GmbH was approved by National Company Law Tribunal on December 3, 2020. The Resolution Plan of PEE was completed, and a Certificate of Completion was issued by a Monitoring Committee appointed by NCLT on May 10, 2024. All the admitted liabilities proposed to be paid have been paid off and balance liabilities prior to admission under insolvency have been written off.

Financial information of discontinued operations:

The results of the discontinued operations are presented below:

	2024	2023
	AED'000	AED'000
Statement of comprehensive income		
Revenue	**-**	5,851
Cost of revenue	**-**	(1,608)
Gross profit	**-**	4,243
Other income	**62,659**	2,166
Bond encashment	**-**	(56,455)
Foreign exchange loss	**-**	(16,566)
General and administrative expenses	**(45,127)**	(6,488)
Profit/(loss) from discontinued operations	**17,532**	(73,100)

The major classes of assets and liabilities of the discontinued operations as at the reporting date are as follows:

	2024	2023
		(Restated)
	AED'000	AED'000
Assets:		
Property and equipment	**30**	278
Trade and other receivables	**45,091**	41,928
Cash and bank balances	**1,854**	2,045
	46,975	44,251

	2024	2023
	AED'000	AED'000
Liabilities:		
Trade and other payables	**138,000**	129,011
Bank borrowings	**95,242**	328,032
Due to related parties	**-**	27,292
	233,242	484,335

Liabilities amounting to AED 9,160 have been written back during the year, which mainly include contract liabilities.

Following the implementation of the restructuring plan, bank borrowings of AED 217,740 thousand have been written-back in the consolidated statement of profit or loss and of AED 24,193 thousand have been converted into MCSs (Note 17). The remaining bank borrowings at December 31, 2024 relate to the non-controlling interest of Drake & Scull International Oman and will be settled against the balance of the non-controlling interest in the consolidated statement of financial position upon liquidation of the subsidiary.

35 Discontinued operations and subsidiary with a loss of control (continued)

Cash and cash equivalent related to discontinued operations are as follows:

	2024	2023
	AED'000	AED'000
Cash and bank balances	**1,854**	2,045
Less: bank overdrafts	**(95,242)**	(178,164)
Bank overdrafts related to discontinued operations, net of cash	**(93,388)**	(176,119)

36 Restructuring settlement plan

As stated in Note 2 to the consolidated financial statements, in accordance with the Dubai Court of appeal order and approved restructuring settlement plan, June 3, 2024 has been deemed to be the effective restructuring date for settlement of all qualified financial lenders' and trade creditors' balances. The impact of the restructuring on the consolidated financial statements was as follows:

	Carrying amount (1)	**Write-back (2)**	**Conversion to MCSs (3)**	**Payable in cash**
	AED'000	**AED'000**	**AED'000**	**AED'000**
Financial lenders:				
Provisions	**1,385,360**	**1,246,824**	**138,536**	**-**
Bank borrowings	**1,748,824**	**1,574,003**	**174,785**	**36**
Bank borrowing (discontinued operations)	**241,933**	**217,740**	**24,193**	**-**
Bond encashment	**24,410**	**21,969**	**2,441**	**-**
	3,400,527	**3,060,536**	**339,955**	**36**
Trade creditors				
Related party balances	**41,224**	**37,102**	**4,122**	**-**
Trade payables	**376,885**	**339,360**	**24,053**	**13,472**
	418,109	**376,462**	**28,175**	**13,472**
Total	**3,818,636**	**3,436,998**	**368,130**	**13,508**

(1) Based on the approved list of lenders and creditors by the Court.

(2) The amounts written-back represent 90% of the balances subject to restructuring as approved by the Court.

(3) The amounts converted to MCSs represent 10% of all large creditor balances (i.e. those exceeding AED 1 million) as approved by the Court.

(4) The amounts that will be settled in cash represent 10% of all small creditor balances (i.e. those below AED 1 million) as approved by the Court.

In addition to the write-back of liabilities disclosed in the above table, the Group wrote-back excess liabilities in the amount of AED 356 million that are directly related to the restructuring resulting in a total write-back of liabilities under approved restructuring settlement plan of AED 3,792,884 thousand as follows, which was recognized in the consolidated statement of profit or loss.

	2024
	AED'000
Writeback of liabilities resulted under approved restructuring settlement plan (see above)	**3,436,998**
Reversal of provisions	**41,000**
Reversal of accrued interest	**314,886**
	3,792,884

36 Restructuring settlement plan (continued)

Costs related to the restructuring incurred by the Group are as follows:

	2024 AED'000	2023 AED'000
Success fees	**20,063**	-
Underwriting commission	**16,212**	-
Consultancy fees	**5,640**	219
	41,915	219

37 Fair value measurement

Management assessed that the fair values of cash and bank balances, trade and other receivables, trade and other payables, due from and to related parties as at December 31, 2024 and 2023 approximate their carrying amounts largely due to the short-term maturities of these instruments.

Management assessed that the carrying amounts of long-term borrowings as at December 31, 2024 and 2023 approximate their fair values due to the fact that they bear variable interest rates that reflect current market interest rates for similar borrowings. As a result, the values of the future discounted cash flows on those borrowings are not significantly different from their current book values.

Financial assets measured at fair value in the consolidated statement of financial position are grouped into three levels as disclosed in the Group's accounting policies (Refer Note 5.2).

The following table shows the levels within the hierarchy of financial assets measured at fair value on a recurring basis:

	2024 AED'000	2023 AED'000
Level 2		
Financial assets at fair value through profit or loss	**1,351**	986

There have been no transfers made between the valuation levels during the current year and the previous year.

38 Financial instruments risk management objectives and policies

The Group is exposed to various risks in relation to financial instruments. The Group's financial assets and financial liabilities by category are summarised in Note 25. The main types of risks are market risk, credit risk and liquidity risk.

The Board of Directors has the overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's senior management are responsible for developing and monitoring the Group's risk management policies and report regularly to the Board of Directors on their activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, 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 Group's activities.

38.1 Market risk analysis

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

Foreign currency risk

Most of the Group's transactions are carried out in AED and Euro. Exposures to currency exchange rates arise from the Group's overseas contracts which are primarily denominated in Euro (EUR).

38 Financial instruments risk management objectives and policies (continued)

38.1 Market risk analysis (continued)

Foreign currency risk (continued)

Foreign currency denominated financial assets and liabilities which expose the Group to currency risk are disclosed below. The amounts shown are translated into AED at the closing rate:

	2024	2023
	AED"000	AED"000
Financial assets	**117,611**	117,860
Financial liabilities	**(132,636)**	(96,942)
Net exposure	**(15,025)**	20,918

Sensitivity to foreign currency risk

The following illustrates the sensitivity of profit and equity in relating to the Group's financial assets and financial liabilities and the EUR/AED exchange rate assuming 'all other things being equal'. It assumes a +/- 5% change of the AED/Euro exchange rate for the year ended at December 31, 2024 (2023: 5%). The above percentage has been determined based on the average market volatility in exchange rates in the previous twelve months. The sensitivity analysis is based on the Group's foreign currency financial instruments held at each reporting date.

If the AED had strengthened against the EUR by 5% (2023: 5%), then this would have had increased the result for the year and equity by AED 751 thousand (2023: AED 1,046 thousand)

If the AED had weakened against the EUR by 5% (2023: 5%), then this would have had a similar reverse impact.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with variable interest rates.

Interest rate sensitivity

The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rates of +/- 1% (2023: +/- 1%). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

	Impact on profit		**Impact on equity**	
	+1%	**-1%**	**+1%**	**-1%**
	AED'000	**AED'000**	**AED'000**	**AED'000**
December 31, 2024	**87**	**(87)**	**87**	**(87)**
December 31, 2023	20,577	(20,577)	20,577	(20,577)

38.2 Credit risk analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group is exposed to credit risk from financial assets including cash and cash equivalents held at banks, contract assets and trade and other receivables.

38 Financial instruments risk management objectives and policies (continued)

38.2 Credit risk analysis (continued)

Credit risk management

The Group's maximum exposure to credit risk for the components of the consolidated statement of financial position at December 31, 2024 and 2023 as per the carrying amounts of the financial assets disclosed in Note 25.

Trade receivables and contract assets

The Group continuously monitors the credit quality of customers based on a credit rating scorecard. The Group's policy is to deal only with credit worthy counterparties. The credit terms range between 60 and 120 days. The credit terms for customers as negotiated with customers are subject to an internal approval process. The ongoing credit risk is managed through regular review of ageing analysis, together with credit limits per customer.

The Group applies the IFRS 9 simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns.

The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Trade receivables are written off (i.e derecognised) when there is no reasonable expectation of recovery. Generally, trade receivables are provided if past due for more than one year and are not subject to enforcement activity.

On the above basis the expected credit loss for trade receivables and contract assets was determined as follows:

	Contract assets		Trade receivables			
	Current	Past due	Current	Past due up to 30 days	Past due more than	Total
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
December 31, 2024						
Gross carrying amount	14,718	173,304	20,336	6,664	420,903	447,903
Expected credit loss	-	(173,304)	-	(2,990)	(419,130)	(422,120)
Expected credit loss rate	-	100%	-	44.9%	99.9%	-
Net carrying amount	**14,718**	**-**	**20,336**	**3,674**	**1,773**	**25,783**
December 31, 2023						
Gross carrying amount	16,593	173,997	21,977	5,571	447,386	474,934
Expected credit loss	-	(173,997)	-	-	(435,040)	(435,040)
Expected credit loss rate	-	100%	-	-	97.3%	-
Net carrying amount	16,593	-	21,977	5,571	12,346	39,894

Bank balances

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

38 Financial instruments risk management objectives and policies (continued)

38.2 Credit risk analysis (continued)

Due from related parties

Balances due from related parties mainly relate to a balance due from the associate in relation to the construction of a labour camp in Abu Dhabi funded by the Group. The Group expects the balance to be settled from the net rental proceeds that will be generated from the property over an estimated period, and accordingly, has stated the balance net of the impact of the time value of money.

38.3 Liquidity risk

Liquidity risk is that the Group might be unable to meet its obligations. The Group manages its liquidity needs by monitoring scheduled debt servicing payments for bank borrowing as well as forecast cash inflows and outflows due in day-to-day business. The Group'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 Group's reputation

The Group considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. Cash flows from trade and other receivables are all contractually due within six months.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

	On demand AED'000	0-180 Days AED'000	181-360 days AED'000	Above 360 days AED'000	Total AED'000
December 31, 2024					
Bank borrowings	**9,693**	**-**	**-**	**-**	**9,693**
Lease liabilities	**-**	**-**	**1,482**	**5,737**	**7,219**
Trade and other payables	**-**	**144,745**	**-**	**-**	**144,745**
	9,693	**144,745**	**1,482**	**5,737**	**161,657**
December 31, 2023					
Bank borrowings	2,334,126	-	-	-	2,334,126
Lease liabilities	-	-	386	2,654	3,040
Trade and other payables	-	539,967	-	-	539,967
Due to related parties	41,224	-	-	-	41,224
	2,375,350	539,967	386	2,654	2,918,357

The above amounts reflect the contractual undiscounted cash flows, which may differ to the carrying values of the liabilities at the reporting date. The credit terms require the Group to settle its liabilities within 90 days.

39 Capital management policies and procedures

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and to provide an adequate return to shareholders to maintain the confidence of its investors, creditors and the market and to sustain future development of the business. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

No changes were made in the objectives, policies or processes for managing capital during the years ended December 31, 2024 and 2023.

39 Capital management policies and procedures (continued)

For the purpose of the Group's capital management, capital comprises share capital, share (discount)/premium, treasury shares, statutory reserve, mandatory convertible Sukuks, foreign currency translation reserve, accumulated losses and non-controlling interest amounting to AED 151,735 thousand (2023: deficiency of AED 4,432,103 thousand).

40 Correction of errors

During the year ended December 31, 2023, certain plots of land of the Group under property and equipment were auctioned and sold by the Dubai Court against settlement of debts to which these properties were attached. However, the disposal of these properties was not recognized in 2023 (Note 7). The Group restated the consolidated financial statements to reflect the impact of such disposal in the correct period.

In previous years, the Group was consolidating the assets, liabilities, income and expenses of Campco Properties LLC on the basis that the Group had control over the investee, although holding 40% shareholding only. During the year, management reassessed the power the Group has over the investee and concluded that, based on contractual agreements and other factors, the Group only exercises significant influence over the investee. Accordingly, the Group restated the comparative information to account for the investee as an investment in associate rather than a subsidiary.

In previous years, the Group did not correctly measure the non-controlling interest related to Drake & Scull International Oman, and accordingly, the Group restated the comparative information to reflect the impact of the error.

During the year, the Group identified liabilities with a carrying amount of AED 54,492 thousand that do not exist but had been recognized on the consolidated statement of financial position since previous years. Accordingly, the Group restated the comparative information to reflect the impact of the error in previous periods.

The above errors have been corrected by restating the each of the affected consolidated financial statements line item for the prior periods as follows:

Impact on equity (increase/(decrease) in equity	December 31, 2023 AED'000	January 1, 2023 AED'000
Property and equipment	(12,287)	(247)
Investment properties	(77,370)	(83,000)
Right-of-use assets	(3,995)	(4,291)
Trade and other receivable	13,345	(2,949)
Due from related parties	52,932	53,108
Cash and cash equivalents	-	(117)
Assets held for sale	(7,695)	-
Net impact on assets	(35,070)	(37,496)
Employees' end-of-service benefits	(303)	(304)
Lease liabilities	(4,988)	(4,994)
Bank borrowings	26,353	26,353
Provisions	(49,263)	(49,263)
Trade and other payables	(6,340)	(7,514)
Net impact on liabilities	(34,541)	(35,722)
Net impact on equity	(529)	(1,774)
The impact on equity is as follows:		
Accumulated losses	(14,102)	(15,917)
Non-controlling interest	13,573	14,143
	(529)	(1,774)

40 Correction of errors (continued)

Impact on consolidated statement of profit or loss (increase/(decrease) in profit or loss)	2023 AED'000
From continuing operations:	
Revenue	(7,783)
Direct cost	9,041
General and administrative expenses	(2,912)
Provision	73,022
Other income	(654)
Finance cost	3
Net impact on loss for the year from continuing operations	70,717
Loss from discontinued operations	(69,472)
Net impact on loss for the year	1,245

41 Subsequent events

There were no material events after the reporting date which could require adjustments or disclosures in these consolidated financial statements.