

Almuftah Stalwart Facilities Management Company W.L.L.

Financial Statements

As at and for the period from

**21 August 2023 (date of incorporation)
to 31 December 2024**

Almuftah Stalwart Facilities Management Company W.L.L.

Financial Statements

As at and for the period from 21 August 2023 (date of incorporation) to 31 December 2024

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Independent auditor's report

To the Shareholders of Almuftah Stalwart Facilities Management Company W.L.L. Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Almuftah Stalwart Facilities Management Company W.L.L. (the 'Company'), which comprise the statement of financial position as at 31 December 2024, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the period from 21 August 2023 (date of incorporation) to 31 December 2024, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the period from 21 August 2023 (date of incorporation) to 31 December 2024 in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

Basis for Opinion

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



Independent auditor's report (continued)

Almuftah Stalwart Facilities Management Company W.L.L.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



Independent auditor's report (continued)

Almuftah Stalwart Facilities Management Company W.L.L.

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

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

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

Report on Other Legal Requirements

As required by the Qatar Commercial Companies Law No. 11 of 2015, whose certain provisions were subsequently amended by Law No. 8 of 2021 ("amended QCCL"), we also report that:

- (1) We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- (2) The Company has maintained proper accounting records and its financial statements are in agreement therewith.
- (3) Furthermore, the Company did not hold inventories as at reporting date, hence, physical count was not required.
- (4) We are not aware of any violations of the applicable provisions of the amended QCCL or the terms of the Company's Articles of Association having occurred during the period which might have had a material effect on the Company's financial position or performance as at and for the period from 21 August 2023 (date of incorporation) to 31 December 2024.

6 August 2025
Doha
State of Qatar



Salim Khalil
KPMG
Qatar Auditor's Registry No. 472

Almufthah Stalwart Facilities Management Company W.L.L.

Statement of financial position
As at 31 December 2024

In QAR

	Note	2024
Assets		
Current assets		
Trade and other receivables	4	573,415
Due from related parties	8(b)	175,500
Cash and bank balances	5	112,798
Total assets		861,713
Equity		
Share capital	6	200,000
Legal reserve		7,729
Retained earnings		69,558
Total equity		277,287
Liabilities		
Non-current liability		
Employees' end of service benefits	7	2,864
		2,864
Current liabilities		
Trade and other payables	9	285,916
Due to a related party	8(c)	295,646
		581,562
Total liabilities		584,426
Total equity and liabilities		861,713

These financial statements were approved by the shareholders of the Company and signed on their behalf by:



Mr. Khalid A.R Al Muftah
Finance Director



The attached notes 1 to 15 form an integral part of these financial statements.

Almuftah Stalwart Facilities Management Company W.L.L.

Statement of profit or loss and other comprehensive income

For the period from 21 August 2023 (date of incorporation) to 31 December 2024

In QAR

	Note	For the period from 21 August 2023 to 31 December 2024
Revenue	10	1,275,204
Direct cost	11	(1,104,463)
Gross profit		170,741
General and administrative expenses	12	(89,324)
Profit before tax		81,417
Income tax expense	13	(4,130)
Profit for the period		77,287
Other comprehensive income		-
Total comprehensive income for the period		77,287



The attached notes 1 to 15 form an integral part of these financial statements.

Almufthah Stalwart Facilities Management Company W.L.L.**Statement of changes in equity****For the period from 21 August 2023 (date of incorporation) to 31 December 2024**

In QAR

	Share capital	Legal reserve (1)	Retained earnings	Total
Issuance of share capital	200,000	-	-	200,000
<i>Total comprehensive income:</i>				
Profit for the period	-	-	77,287	77,287
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	77,287	77,287
<i>Other movement:</i>				
Transfer to legal reserve	-	7,729	(7,729)	-
At 31 December 2024	200,000	7,729	69,558	277,287

- 1) As required by Qatar Commercial Companies' Law No. 11 of 2015, whose certain provisions were subsequently amended by Law No. 8 of 2021 ("amended QCCL"), and the Articles of Association of the Company, a minimum of 10% of the profit for the year should be transferred to a legal reserve each year until such reserve equals 50% of the share capital. The reserve is not normally available for distribution except in the circumstances stipulated in the abovementioned law and the Company's Articles of Association.



The attached notes 1 to 15 form an integral part of these financial statements.

Almuftah Stalwart Facilities Management Company W.L.L.

Statement of cash flows

For the period from 21 August 2023 (date of incorporation) to 31 December 2024

In QAR

	Note	For the period from 21 August 2023 to 31 December 2024
Cash flows from operating activities		77,287
Profit for the period		
<i>Adjustments for:</i>		
Provision for employees' end of service benefits	7	2,864
		<u>80,151</u>
<i>Changes in working capital:</i>		
Trade and other receivables		(573,415)
Due from related parties		(175,500)
Trade and other payables		285,916
Due to a related party		295,646
Net cash used in operating activities		<u>(87,202)</u>
Cash flows from a financing activity		
Issuance of share capital		200,000
Net cash from a financing activity		<u>200,000</u>
Net increase in cash and bank balances		<u>112,798</u>
Cash and bank balances as at the end of the period	5	<u>112,798</u>



The attached notes 1 to 15 form an integral part of these financial statements.

Almuftah Stalwart Facilities Management Company W.L.L.

Notes to the financial statements

As at and for the period from 21 August 2023 (date of incorporation) to 31 December 2024

1. Legal status and principal activities

Almuftah Stalwart Facilities Management Company W.L.L. (the "Company") was registered in Qatar, under the Commercial Registration No. 189831 dated 21 August 2023. The Company's registered office is at P.O. Box 875, Doha, State of Qatar.

The Company's shares as at the current reporting date were held as follows:

Shareholder	Country of incorporation	Shareholding
Ibrahim A Rahman M Al Muftah	Qatar	25.5%
Khalid A Rahman M A Al Muftah	Qatar	25.5%
Stalwart People Services India Limited	India	49%

The Company is primarily engaged in providing facility management services.

These financial statements were approved and authorised for issuance by the shareholders on 6 August 2025.

2. Basis of the preparation and material accounting policies

2.1 Basis of preparation

Statement of compliance

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

Basis of measurement

These financial statements have been prepared under the historical cost basis.

Functional and presentation currency

These financial statements are presented in Qatari Riyals (QAR), which is the Company's functional currency. All financial information presented has been rounded to the nearest Qatari Riyal.

Use of accounting estimates and judgements

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described as follows:

Impairment of receivables

The ECL model requires looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. It also requires management to assign probability of default to various categories of receivables. Probability of default constitutes a key input in measuring an ECL and entails considerable judgment, it is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future condition.

2. Basis of preparation and material accounting policies (continued)

2.1 Basis of preparation (continued)

Use of accounting estimates and judgements (continued)

Going concern

The management of the Company has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, these financial statements have prepared on a going concern basis.

Other provisions and liabilities

Other provisions and liabilities are recognised in the year only to the extent management considers it probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgment to existing facts and circumstances, which can be subject to change. Since the actual cash outflows can take place in subsequent years, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

New and amended IFRS Accounting Standards and interpretations adopted by the Company

During the period, the Company adopted the below new accounting standards and amendments as applicable, that are effective for an annual reporting period beginning on 1 January 2024:

- Non-current Liabilities with Covenants – Amendments to IAS 1
- 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

* The application of these amendments had no material impact on the Company's financial statements.

New IFRS Accounting Standards, amendments and interpretations to standards not yet effective, but available for early adoption

A number of new accounting standards are effective for annual reporting periods beginning after 1 January 2024 and earlier application is permitted. However, the Company has not early adopted the following new or amended accounting standards in preparing these financial statements.

A. IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 will replace IAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to Company information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

Notes to the financial statements

As at and for the period from 21 August 2023 (date of incorporation) to 31 December 2024

2. Basis of preparation and material accounting policies (continued)

2.1 Basis of preparation (continued)

New IFRS Accounting Standards, amendments and interpretations to standards not yet effective, but available for early adoption (continued)

A. IFRS 18 Presentation and Disclosure in Financial Statements (continued)

The Company is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Company's statement of profit or loss and cash flows and the additional disclosures required for MPMs. The Company is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as 'other'.

B. Other accounting standards

The following new and amended accounting standards are not expected to have a significant impact on the Company's financial statements.

Effective for the year beginning 1 January 2025	<ul style="list-style-type: none"> Lack of Exchangeability – Amendments to IAS 21
Effective for the year beginning 1 January 2026	<ul style="list-style-type: none"> Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 Annual improvements to IFRS Accounting Standard – Volume 11
Effective for the year beginning 1 January 2027	<ul style="list-style-type: none"> IFRS 19 Subsidiaries without Public Accountability: Disclosures
Available for optional adoption / effective date deferred indefinitely	<ul style="list-style-type: none"> Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28

Management anticipates that these amendments to accounting standards will be adopted in the Company financial statements as and when they are applicable and adoption of these amendments to accounting standards is not expected to have a material impact on the financial statements of the Company in the period of initial application.

2.2 Material accounting policies

The material accounting policies of the Company applied in the preparation of these financial statements are set out below:

Revenue recognition

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Type of services	Nature, timing of satisfaction of performance obligations, significant payment terms
Facility management and security services	Revenue from contracts with customers is recognized at an amount that reflects the consideration to which the Company expects to be entitled in exchange for promised services to a customer. Company's revenue is generated from provision of facility management and security services based on contracts. Performance obligation is satisfied over time as per contract duration.

2. Basis of preparation and material accounting policies (continued)

2.2 Material accounting policies (continued)

Financial instruments

Recognition and initial measurement

Trade receivables and debt securities are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified at:

- a) Amortised cost- if it meets both of the following conditions and is not designated as at FVTPL;
 - it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
 - its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
- b) Fair Value Through Other Comprehensive Income (FVTOCI) - if it meets both of the following conditions and is not designated as at FVTPL:
 - it is held within a business model whose objective achieved by both collecting contractual cash flows and selling financial assets; and
 - its contractual terms give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.
- c) FVTPL - All financial assets not classified as measured at amortised cost or FVTOCI as described above.

On initial recognition, the Company may irreversibly designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Company has classified on initial recognition its trade and other receivables, due from related parties and bank balances at amortised cost. The Company does not hold any other financial assets.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual cash flows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

2. Basis of preparation and material accounting policies (continued)

2.2 Material accounting policies (continued)

Financial instruments (continued)

Classification and subsequent measurement (continued)

Financial assets: Business model assessment (continued)

- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets: Assessment whether contractual cash flows are Solely Payments of Principal and Interest (SPPI)

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers: contingent events that would change the amount or timing of cash flows; terms that may adjust the contractual coupon rate, including variable-rate features; prepayment and extension features; and terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the SPPI criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

- Financial assets at amortised cost - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
- Financial assets FVTPL -These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. The Company does not hold such assets.
- Debt instruments at FVTOCI - These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss. The Company does not hold such assets.
- Equity investments at FVTOCI - These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never derecognised to profit or loss. The Company does not hold such assets.

2. Basis of preparation and material accounting policies (continued)

2.2 Material accounting policies (continued)

Financial instruments (continued)

Classification and subsequent measurement (continued)

Financial liabilities: Classification and subsequent measurement

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

Financial assets: Derecognition

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

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

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities: Derecognition

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

Offsetting

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

Impairment

Non-derivative financial assets

The Company recognises loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost. The Company does not hold debt investments measured at amortised cost.

The Company measures loss allowance either at an amount equal to:

- lifetime ECLs, which are those ECLs that result from all possible default events over the expected life of a financial instruments; or

2. Basis of preparation and material accounting policies (continued)

2.2 Material accounting policies (continued)

Impairment (continued)

Non-derivative financial assets (continued)

- 12-month ECLs, which includes the portion of ECLs that results from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Loss allowances for trade receivable are always measured at an amount equal to lifetime ECLs.

Loss allowances for due from a related party are measured either at an amount equal to 12-months or lifetime ECLs depending on the magnitude of increases in credit risk since the initial recognition of the assets.

Loss allowances on bank balances are always measured at an amount equal to 12-month ECLs.

The Company considers a financial asset to be in default when customer is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held).

The Company considers bank balances to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Company considers this to be Baa3 or higher per Moody's Rating Agency.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes a breach of contract such as a default.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

2. Basis of preparation and material accounting policies (continued)

2.2 Material accounting policies (continued)

Impairment (continued)

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

At each reporting date, the Company reviews the carrying amount of its equipment to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or a CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or a CGU.

Non-financial assets

An impairment loss is recognized if the carrying amount of an asset or a CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. They are allocated to reduce the carrying amounts of the other assets in the CGU on a pro rata basis. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

Share capital

Ordinary shares issued by the Company are classified as equity.

Provision for employees' end of service benefits

The Company provides end of service benefits to its expatriate employees in accordance with employment contracts and the Qatar Labour Law. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period, and are payable to the employees on termination of their employment with the Company. The expected costs of these benefits are accrued over the period of employment. The Company has no expectation of settling its employees' end of service benefits obligation within 12 months from the reporting date and, therefore, it has classified the obligation within non-current liabilities in the statement of financial position. The provision is not discounted to present value as the effect of the time value of money is not expected to be significant.

Provisions

A provision is recognised when:

- the Company has a present obligation (legal or constructive) as a result of a past event;
- it is probable that the Company will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

Provisions are determined by discounting to present value the future expenditures expected to settle the obligation using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the liability. Provisions are reviewed annually to reflect current best estimates of the expenditure required to settle the obligations.

Notes to the financial statements

As at and for the period from 21 August 2023 (date of incorporation) to 31 December 2024

2. Basis of preparation and material accounting policies (continued)

2.2 Material accounting policies (continued)

Current versus non-current classification

The Company presents assets and liabilities 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 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 normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting.

Leases

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of its office that have a lease term of 12 months or less and leases that are of low-value. The Company recognises the lease payments associated with these leases as an expense in profit or loss on a straight-line basis over the lease term.

Expenses recognition

Expenses are recognized in statement of profit or loss when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen and can be measured reliably. An expense is recognized immediately in statement of profit or loss when it produces no future economic benefits, or when, and to the extent that, future economic benefits do not qualify or cease to qualify for recognition in the statement of financial position as an asset, such as in the case of asset impairments.

Income tax

Income tax expense comprises current tax attributed to the non-GCC shareholder of the Company. It is recognised in profit or loss.

Current tax comprises the expected tax payable on the taxable profit for the year, adjusted for any corrections to the tax payable of previous years. It is calculated on the basis of the tax laws enacted (Income Tax Law No. 24 of 2018) or substantively enacted at the reporting date in the State of Qatar. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. If applicable tax regulation is subject to interpretation and there is uncertainty over a treatment chosen by the Company that it is not probable that the tax authority will accept, it establishes a provision where appropriate on the basis of amounts expected to be paid to the tax authorities. Provisions made in respect of uncertain tax positions are re-assessed whenever circumstances change or there is new information that affects the previous judgements and estimates.

Deferred tax

Deferred tax is recognised in respect of temporary differences arising between the carrying amounts of assets and liabilities reported in the Company's financial statements and their respective amounts used for tax purposes. 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 using tax rates based on tax laws that have been enacted or substantially enacted by the reporting date in the State of Qatar.

Notes to the financial statements**As at and for the period from 21 August 2023 (date of incorporation) to 31 December 2024**

In QAR

3. Financial instruments**a) Financial risk management**

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing the risks, and the Company's management of capital.

The management have the overall responsibility for the establishment and oversight of the Company's risk management framework.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company manages its exposure to credit risk by continuously monitoring its receivables.

With respect to credit risk arising from the financial assets of the Company, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments are as follows:

	31 December 2024
Bank balances	112,798
Trade and other receivables*	443,017
Due from related parties	175,500
	<u>731,315</u>

**Excluding accrued income*

Trade receivables

The Company limits its exposure to credit risk from trade receivables by periodically reviewing the collectability of its trade receivables for identification of any impaired amounts. Credit risk in relation to trade receivables is minimal and the management did not recognise provision for impairment as at the reporting date.

The ageing of trade receivables was as follows:

	31 December 2024
1- 30 days past due	95,302
31-60 days past due	158,684
61-90 days past due	188,831
	<u>442,817</u>

Management believes that there is minimal credit risk from trade receivables as these receivables are outstanding for less than a year. Hence impact of ECL is expected to be immaterial.

Notes to the financial statements

As at and for the period from 21 August 2023 (date of incorporation) to 31 December 2024

In QAR

3. Financial instruments (continued)

a) Financial risk management (continued)

Credit risk (continued)

Bank balances

The Company held bank balances of QAR 112,798 at 31 December 2024. The Company's cash at bank is held with banks which were rated by Moody's as shown in the table below:

	31 December 2024
Credit Ratings	
A3	<u><u>112,798</u></u>

Impairment on bank balances has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its bank balances have low credit risk based on the external credit ratings of the counterparties.

Due from related parties

Management believes that there is no credit risk from the receivables from the related parties, because these counterparties are under the control of the Company shareholders, who are financially healthy.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation

The following are the undiscounted contractual maturities of financial liabilities:

As at 31 December 2024

Non-derivative financial liabilities	Carrying value	Contractual cash flows	Less than 1 year	More than 1 year
Trade payables	43,029	(43,029)	(43,029)	-
Due to a related party	295,646	(295,646)	(295,646)	-
	<u><u>338,675</u></u>	<u><u>(338,675)</u></u>	<u><u>(338,675)</u></u>	<u><u>-</u></u>

Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign currency exchange rates will affect the Company's income or the value of its holdings of financial instruments. The management reviews and agrees policies for managing each of these risks which are summarized below.

Interest rate risk

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

Foreign currency risk

The Company does not hedge its currency exposure. However, in the opinion of the management, there is no Company's exposure to currency risk is as there are no foreign exchange transactions.

Notes to the financial statements

As at and for the period from 21 August 2023 (date of incorporation) to 31 December 2024

In QAR

3. Financial instruments (continued)

b) Fair value measurement

Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at a measurement date. The Company has not disclosed the fair values of its trade and other receivables, due from related parties, bank balances, trade payables and due to a related party, because their carrying amounts are a reasonable approximation of their fair values.

4. Trade and other receivables

	31 December 2024
Trade receivables	442,817
Accrued income	130,398
Other receivables	200
	<u>573,415</u>

5. Cash and bank balances

	31 December 2024
Cash at bank	<u>112,798</u>

6. Share capital

	31 December 2024
<i>Authorized, issued and fully paid up share capital</i> (200 shares with face value of QAR 1,000 each)	<u>200,000</u>

7. Employees' end of service benefits

	31 December 2024
Provision made during the period	<u>2,864</u>
At 31 December 2024	<u>2,864</u>

8. Related party transactions

The Company, in the ordinary course of business, carries out transactions with other business enterprises that fall within the definition of related parties as per International Accounting Standard (IAS) 24 "Related Parties Disclosures". The Company's management approves pricing policies and terms of these transactions. The balances and transactions with related parties are disclosed below:

Almuftah Stalwart Facilities Management Company W.L.L.

Notes to the financial statements

As at and for the period from 21 August 2023 (date of incorporation) to 31 December 2024

In QAR

8. Related party transactions (continued)

a) Transactions with related parties

Transactions with related parties included in the profit or loss were as follows:

Entity	Relationship	Nature of transactions	For the period from 21 August 2023 to 31 December 2024
Al Muftah Contracting Company W.L.L.	Affiliate entity	Shared services	<u>817,974</u>
Al Muftah Contracting Company W.L.L.	Affiliate entity	Revenue	<u>333,282</u>
The English Modern School, Wakrah	Affiliate entity	Revenue	<u>72,300</u>
The English Modern School, Wakrah KG	Affiliate entity	Revenue	<u>23,200</u>

b) Due from related parties

	Relationship	31 December 2024
Ibrahim A Rahman M Al Muftah	Shareholder	51,000
Khalid A Rahman M A Al Muftah	Shareholder	51,000
The English Modern School	Affiliate entity	<u>73,500</u>
		<u>175,500</u>

Outstanding balances as at 31 December 2024 are unsecured, interest free and the settlement occurs in cash and receivable on demand.

c) Due to a related party

	Relationship	31 December 2024
Al Muftah Contracting Company W.L.L.	Affiliated entity	<u>295,646</u>
		<u>295,646</u>

Outstanding balances as at 31 December 2024 are unsecured, interest free and the settlement occurs in cash and payable on demand.

9. Trade and other payables

	31 December 2024
Trade payables	43,029
Tax payables	4,130
Accrued expenses	<u>238,757</u>
	<u>285,916</u>

Notes to the financial statements

As at and for the period from 21 August 2023 (date of incorporation) to 31 December 2024

In QAR

10. Revenue

	For the period from 21 August 2023 to 31 December 2024
Revenue from facility management services - recognised over time	1,275,204
	<u>1,275,204</u>

11. Direct cost

	For the period from 21 August 2023 to 31 December 2024
Contract costs	383,731
Staff costs	704,206
Rent expense	16,526
	<u>1,104,463</u>

12. General and administrative expenses

	For the period from 21 August 2023 to 31 December 2024
Staff costs	46,778
Professional fees	30,320
Travelling expenses	6,241
Insurance expenses	1,500
Other expenses	4,485
	<u>89,324</u>

13. Taxation

	For the period from 21 August 2023 to 31 December 2024
Profit before tax	81,417
<i>Adjustments:</i>	
Other temporary differences related to various provisions	2,864
Taxable profit	<u>84,281</u>
10% on taxable income	8,428
Share of foreign partner	49%
Current income tax charge	<u>4,130</u>

14. Comparative figures

These are the first set of financial statements prepared by the Company, therefore, the comparative figures are not included.

Almuftah Stalwart Facilities Management Company W.L.L.

Notes to the financial statements

As at and for the period from 21 August 2023 (date of incorporation) to 31 December 2024

15. Subsequent events

There were no significant events after the reporting date, which have a bearing on the understanding of the users of these financial statements.

Independent Auditor's report on pages 1 to 3.