Response Plus Holding PJSC

REPORT OF THE BOARD OF DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2023

Response Plus Holding PJSC

REPORT OF THE BOARD OF DIRECTORS

31 DECEMBER 2023

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors have pleasure in submitting this report and the consolidated financial statements of Response Plus Holding PJSC (the "Company") and its subsidiaries (together referred to as the "Group") for the year ended 31 December 2023.

Principal activity
The principal activities of the Group are medical services, including but not limited to the provision of on-site medical services, occupational health, medical & non-medical training, emergency medical services and the secondment of medical manpower - to other companies, amongst other ancillary services.

Financial results
Revenue earned by the Group during the year ended 31 December 2023 was AED 345,358,933 (2022: AED 320,864,317). The total comprehensive income for the year ended 31 December 2023 amounted to AED 21,129,334 (2022: AED 29,310,967). The major movements in retained earnings for the year were:

	AED
At January 2023	**14,441,670**
Profit for the year	**49,388,421**
Dividend paid	**(14,000,000)**
At December 2023	**49,830,091**

Directors
The Directors of the Company are as follows:

Mr. Omran Mohammed Saleh Mohamood Hussain AlKhoori (effective 15th February 2024)	Chairman
Dr. Mohamed Monir Mohamed Yaqoub Hayat Khan	Vice Chairman
Dr. Shamsheer Vayalil Parambath Pokkinari Hashim (effective 18th December 2023)*	Board Member
Mr. Hari Mohan Haritas	Board Member
Mr. Kashif Shamsi	Board Member

*Chairman from 9 September 2021 to 18 December 2023.

Auditors
A resolution proposing the reappointment of Ernst & Young as auditors of the Company for the year ending 31 December 2024 will be put to the shareholders at Annual General Meeting.

Acknowledgement
To the best of our knowledge, the financial information included in these consolidated financial statements present fairly, in all material respect, the financial position, results of operations and cash flows of the Group as of, and for, the years presented therein.

For and on behalf of the Board of Directors

Chairman

Response Plus Holding PJSC

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2023

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF RESPONSE PLUS HOLDING PJSC

Report on the Audit of the Consolidated Financial Statements

Opinion
We have audited the consolidated financial statements of Response Plus Holding PJSC (the "Company") and its subsidiaries (together referred to as the "Group") which comprise the consolidated statement of financial position as at 31 December 2023, consolidated statement of profit or loss, the 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, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2023 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

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

Key audit matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Report on the Audit of the Consolidated Financial Statements continued

Revenue recognition
Revenue recognition is considered to be a key area of focus given that revenue is material and an important determinant of the Group's performance and profitability. The Group recognises revenue from contracts with customers when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services (refer note 2.4 of the consolidated financial statements for the revenue recognition policy of the Group).

During the year ended 31 December 2023, total revenue of the Group amounted to AED 345,358,933. Given the magnitude of the amount and inherent risk of revenue overstatement, we consider revenue recognition to be a key audit matter.

To address the above risk, we performed the following procedures among others:

- Reviewed the Group's revenue recognition policy as per IFRS 15, Revenue from contracts with customers and assessed its appropriateness;
- Understood the design of the internal controls surrounding the revenue recognition process;
- Performed substantive testing over transactions on a sample basis and tested their occurrence, accuracy and recognition, by tracing them back to supporting documents;
- Performed correlation analysis between revenue and trade receivables and performed analytical review procedures on revenue based on monthly sales and profit margins;
- Performed cut off procedures by selecting a sample of transactions before and after the year end to evaluate the recognition in the current reporting period;
- Tested journal entries on a sample basis, based on revenue related risk profiles (such as amounts, posting date, adjustments) to identify any instances of management override; and
- Evaluated the adequacy of disclosures relating to revenue.

Provision for expected credit losses
At 31 December 2023, gross trade receivables amounted to AED 116,196,354 against which provision for expected credit loss ("ECL") of AED 22,514,338 was recorded (note 14). The gross trade receivables represent 39% of the total assets presented in the consolidated financial statements. The Group assesses at each reporting date whether the financial assets carried at amortised cost are credit-impaired. Management has applied the simplified approach for measurement of ECL for trade receivables. The ECL model involves the use of various assumptions, historical trends relating to the Group's trade collections experience and other specific factors. The Group exercises significant judgement when determining both when and how much to record as the ECL.

We have considered ECL as key audit matter given the size of trade receivables and the identification of significant delays in the collection of trade receivables which results in the application of significant auditor judgement regarding the accounting estimates made by management in determining the ECL.

The Group's disclosures included in notes 2 and 4 of the consolidated financial statements outline the accounting policy and significant estimates made and judgements applied for determining the ECL.

Report on the Audit of the Consolidated Financial Statements continued

Provision for expected credit losses continued
We performed the following procedures in relation to the provision for expected credit losses:

- We obtained an understanding of the process and identified the relevant controls over the measurement and determination of the allowance for ECL;
- We compared the ECL model developed by management against the requirements of IFRS 9 and reviewed the methodology against accepted best practice;
- We tested the arithmetical accuracy of the model;
- We performed procedures on individually significant balances, such as substantiating transactions with underlying documents, including inspecting contracts, tracing subsequent receipts to the bank statements and inspecting the underlying invoices, to obtain evidence for the existence and valuation of the recorded receivables;
- We tested key assumptions, such as those used to calculate the likelihood of default and the subsequent loss on default, by comparing to historical data;
- We compared the results of the output of the ECL model developed by management to the amounts reported in the consolidated financial statements; and
- We assessed the disclosure in the consolidated financial statements relating to this matter against the requirements of IFRSs.

Other information
Other information consists of the information included in the report of the Board of Directors, other than the consolidated financial statements and our auditor's report thereon. We obtained the report of the Board of Directors prior to the date of our audit report and we expect to obtain the annual report after the date of our auditor's report. Management is responsible for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the 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 have nothing to report in this regard.

Responsibilities of management and the Board of Directors for the consolidated financial statements
Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs and in compliance with the applicable provisions of the Company's Memorandum of Association and the UAE Federal 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, management is 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.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Report on the Audit of the Consolidated Financial Statements continued

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 auditor's 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- 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.

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

We communicate with the those charged with governance, 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, action taken to eliminate threats or safeguards applied.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF RESPONSE PLUS HOLDING PJSC continued

Report on the Audit of the Consolidated Financial Statements continued

Auditor's responsibilities for the audit of the consolidated financial statements continued
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 period 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

Further, as required by the UAE Federal Law No. 32 of 2021, we report that for the year ended 31 December 2023:

i) the Group has maintained proper books of account;

ii) we have obtained all the information and explanations we considered necessary for the purposes of our audit;

iii) the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Law No. 32 of 2021 and the Memorandum of Association of the Company;

iv) the financial information included in the report of the Board of Directors is consistent with the books of account of the Group;

v) investments in shares and stocks are included in note 13 to the consolidated financial statements and include the purchases and investments made by the Group during the year ended 31 December 2023;

vi) note 15 reflects material related party transactions and the terms under which they were conducted;

vii) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Company has contravened during the period any of the applicable provisions of the UAE Federal Law No. 32 of 2021 or of its Memorandum of Association which would materially affect its activities or its financial position as at 31 December 2023; and

viii) the Group made no social contributions during the year.

Signed by:
Anthony O'Sullivan
Partner
Ernst & Young
Registration No 687

21 March 2024
Abu Dhabi

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2023

	Notes	***2023 AED***	*2022 AED*
Revenue	5	**345,358,933**	320,864,317
Other income		**739,917**	269,046
		346,098,850	321,133,363
Staff costs	8	**(205,353,805)**	(216,826,746)
Inventories consumed	7	**(29,897,270)**	(25,102,140)
Depreciation	10	**(9,081,092)**	(5,661,470)
Rent		**(3,781,958)**	(3,563,261)
Utilities and fuel costs		**(11,352,756)**	(5,517,169)
Provision for expected credit loss	14	**(10,242,806)**	(8,046,864)
Other expenses	9	**(25,607,505)**	(25,969,565)
Finance costs		**(818,941)**	(696,778)
PROFIT BEFORE TAX		**49,962,717**	29,749,370
Zakat and taxation		**(574,296)**	(438,403)
PROFIT FOR THE YEAR		**49,388,421**	29,310,967
Basic and diluted earnings per share	18	**0.25**	0.15

The attached notes 1 to 27 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2023

	Note	***2023 AED***	*2022 AED*
PROFIT FOR THE YEAR		**49,388,421**	29,310,967
Other comprehensive loss:			
Items that will not be subsequently reclassified to consolidated profit or loss in subsequent years:			
Net loss on financial asset designated at fair value through other comprehensive income	13	**(28,259,087)**	**-**
Total other comprehensive loss		**(28,259,087)**	**-**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**21,129,334**	29,310,967

The attached notes 1 to 27 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2023

	Notes	***2023 AED***	*2022 AED*
ASSETS			
Non-current assets			
Property and equipment	10	**45,335,879**	23,622,917
Financial asset	13	**7,914,931**	36,174,018
Right-of-use assets	12	**766,014**	887,261
		54,016,824	60,684,196
Current assets			
Inventories	7	**9,838,625**	6,755,102
Trade and other receivables	14	**165,667,384**	130,020,017
Due from related parties	15	**21,967,006**	20,571,252
Cash and cash equivalents	16	**46,695,301**	96,298,115
		244,168,316	253,644,486
TOTAL ASSETS		**298,185,140**	314,328,682
EQUITY AND LIABILITIES			
Equity			
Share capital	17	**200,000,000**	200,000,000
Shareholders' account	17	**13,694,953**	13,694,953
Merger reserve	23	**(5,502,727)**	(5,502,727)
Other reserves	17	**277,334**	277,334
Fair value reserve of financial assets carried at FVOCI	13	**(28,259,087)**	-
Retained earnings		**49,830,091**	14,441,670
Total equity		**230,040,564**	222,911,230
Non-current liabilities			
Lease liabilities	12	**400,680**	599,857
Vehicle loans	20	-	71,336
Employees' end of service benefits	19	**13,450,494**	10,817,728
		13,851,174	11,488,921
Current liabilities			
Trade and other payables	21	**47,217,568**	28,149,726
Dividend payable	11	-	50,000,000
Lease liabilities	12	**418,032**	380,000
Vehicle loans	20	**71,343**	391,759
Due to related parties	15	**6,586,459**	1,007,046
		54,293,402	79,928,531
Total liabilities		**68,144,576**	91,417,452
TOTAL EQUITY AND LIABILITIES		**298,185,140**	314,328,682

Chief Executive Officer

Chief Financial Officer

The attached notes 1 to 27 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2023

	Share capital AED	*Shareholders' account AED*	*Merger reserve AED*	*Other reserves AED*	*Fair value reserve of financial assets at FVOCI AED*	*Retained earnings AED*	*Total AED*
At 1 January 2022	200,000,000	13,694,953	-	199,421	-	35,208,616	249,102,990
Profit and total comprehensive income for the year	-	-	-	-	-	29,310,967	29,310,967
Business combination of entities under common control (note 23)	-	-	(5,502,727)	-	-	-	(5,502,727)
Transfer to other reserves	-	-	-	77,913	-	(77,913)	-
Dividend declared (note 11)	-	-	-	-	-	(50,000,000)	(50,000,000)
Balance at 31 December 2022	200,000,000	13,694,953	(5,502,727)	277,334	-	14,441,670	222,911,230
At 1 January 2023	200,000,000	13,694,953	(5,502,727)	277,334	-	14,441,670	222,911,230
Profit for the year	-	-	-	-	-	49,388,421	49,388,421
Other comprehensive loss	-	-	-	-	(28,259,087)	-	(28,259,087)
Transfer to other reserves	-	-	-	-	-	-	-
Dividend paid (note 11)	-	-	-	-	-	(14,000,000)	(14,000,000)
Balance at 31 December 2023	**200,000,000**	**13,694,953**	**(5,502,727)**	**277,334**	**(28,259,087)**	**49,830,091**	**230,040,564**

The attached notes 1 to 27 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2023

	Notes	***2023 AED***	*2022 AED*
OPERATING ACTIVITIES			
Profit before tax for the year		**49,962,717**	29,749,370
Adjustments for:			
Depreciation on property and equipment	10	**9,081,092**	5,661,470
Depreciation on right of assets	12	**346,836**	394,338
Provision for employees' end of service benefits	19	**4,093,573**	6,404,103
Provision for expected credit losses	14	**10,242,804**	8,046,864
Finance costs		**861,310**	696,778
Operating cash flows before changes in working capital		**74,588,332**	50,952,923
Working capital adjustments:			
Inventories		**(3,083,523)**	(1,685,254)
Trade and other receivables		**(45,890,171)**	33,725,522
Due from related parties		**(1,302,859)**	22,459,726
Due to related parties		**5,579,413**	(9,614,456)
Trade and other payables		**19,067,842**	(11,260,792)
Cash generated from operations		**48,959,034**	84,577,669
Employees' end of service benefits paid	19	**(1,465,028)**	(1,197,610)
Taxes paid		**(574,296)**	(753,129)
Finance costs paid		**(818,941)**	(650,131)
Net cash generated from operating activities		**46,100,769**	81,976,799
INVESTING ACTIVITIES			
Purchase of property and equipment	10	**(30,882,728)**	(16,171,998)
Cash acquired through business combinations under common control		**-**	331,756
Net cash used in investing activities		**(30,882,728)**	(15,840,242)
FINANCING ACTIVITIES			
Net movement in vehicle loan		**(391,752)**	(521,277)
Dividend paid	11	**(64,000,000)**	-
Payment of lease liabilities	12	**(429,103)**	(380,000)
Net cash used in financing activities		**(64,820,855)**	(901,277)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		**(49,602,814)**	65,235,280
Cash and cash equivalents at the beginning of the year		**96,298,115**	31,062,835
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	16	**46,695,301**	96,298,115

Significant non-cash transactions:			
Business combination under common control		**-**	(9,468,244)
Transfer of property and equipment to a related party		**88,674**	-

The attached notes 1 to 27 form part of these consolidated financial statements.

1 GENERAL INFORMATION

Response Plus Holding PJSC ("the Company") is a private joint stock company incorporated under the UAE Federal Law No. (2) of 2015 (as amended). The registered office address of the Company is P.O. Box 130336, Abu Dhabi, United Arab Emirates.

On 15 March 2021, the Company's shareholders passed a resolution to change the name of the Company to Response Plus Holding PJSC from Burjeel Medical Centre (Yas Mall) LLC and the legal formalities to change the Company's name was completed on 29 August 2021 and also passed a resolution to increase the share capital of the Company to AED 200,000,000. On 14 September 2021, the Company listed 20 million of its ordinary shares on the secondary market of the Abu Dhabi Securities Exchange ("ADX").

These consolidated financial statements include the results of operations and financial position of the Company and its subsidiaries (together referred to as the "Group").

The principal activities of the Group are medical services, including but not limited to the provision of on-site medical services, occupational health, medical & non-medical training, emergency medical services and the secondment of medical manpower - to other companies, amongst other ancillary services.

The consolidated financial statements were approved by the Board of Directors and authorised for issuance on 21 March 2024.

2.1 BASIS OF PREPARATION

Statement of compliance
The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standard Board ("IASB") and applicable requirements of the UAE Federal Law No. 32 of 2021.

Basis of measurement
The consolidated financial statements are prepared under the historical cost convention, except for investments in financial assets which are stated at fair value.

Functional and presentation currency
The consolidated financial statements are presented in United Arab Emirates Dirhams ("AED"), which is also the functional currency of the Company.

2.2 BASIS FOR CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December each year. 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

2.2 BASIS FOR CONSOLIDATION continued

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.

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into 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.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interest;
- Derecognises the cumulative translation differences, recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss; and
- Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate.

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9, when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

2.2 BASIS FOR CONSOLIDATION continued

Details of the Company's subsidiaries are as follows:

Name of subsidiaries	*Beneficial ownership* %*		*Place of incorporation*	*Principal activities*
	2023	*2022*		
Response Plus Medical Services LLC	**100%**	100%	UAE	- home health services - management of medical facilities - ambulance services - onshore and offshore oil and gas fields and facilities services
Saudi Response Plus Medical Services Company	**100%**	100%	Kingdom of Saudi Arabia	- home health services - management of medical facilities - ambulance services - onshore and offshore oil and gas fields and facilities services - medical services complex
Occumed Clinic LLC	**100%**	100%	UAE	- medical services complex
Response Plus Medical Services One Person LLC	**100%**	100%	Oman	- retail sale of medical products
Response Plus Manpower Supply LLC	**100%**	100%	UAE	- Supply of medically qualified professionals. - Healthcare investment
Response Plus Investment Sole Proprietorship LLC	**100%**	100%	UAE	- Healthcare investment
Response Plus Drug Stores LLC**	**100%**	100%	UAE	- wholesale trading of pharmaceutical supplies - medical warehouse
Health Tech Training LLC	**100%**	100%	UAE	- Training of medical staff - Onshore, offshore oil and gas field services
Response Plus India Private Limited	**100%**	100%	India	- Training of medical staff - Management of medical facilities - Ambulance services

*Including assignment of the beneficial shares of 2% based on shareholders resolution.

** This entity is dormant.

2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following new standards, interpretations and amendments effective as of 1 January 2023. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- IFRS 17 Insurance Contracts
- Definition of Accounting Estimates – Amendments to IAS 8
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12
- International Tax Reform - Pillar Two Model Rules – Amendments to IAS 12

These amendments had no significant impact on the consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION

Revenue recognition
The Group recognises revenue from contracts with customers based on a five step model as set out in IFRS 15:

Step 1 Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2 Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer. Revenue is measured at fees calculated and billed based on various tariffs agreed with insurers reduced by provision for rejections.

Step 3 Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4 Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5 Recognise revenue when (or as) the Group satisfies a performance obligation.

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

a) The Group’s performance does not create an asset with an alternate use to the Group and the Group has as an enforceable right to payment for performance completed to date.
b) The Group’s performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
c) The customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs.

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

When the Group satisfies a performance obligation by delivering the promised goods or services it creates a contract based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION continued

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

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably.

Revenue streams include clinic revenues and sale of goods-pharmacy.

Revenue from operations and management
Income from operations and management represent the services rendered for the management of customer's clinics and medical centers. This income is recognised on a time apportionment basis.

Revenue from projects and events
Income from projects represent the supply of medical practitioners and facilities services ambulance services to a corporate customer during the period. This income is recognised on a time apportionment basis.

Revenue from manpower supply
Revenue from manpower supply represents the income from the supply of medical practitioners to a customer during the year. This income is recognised on a time apportionment basis.

Business combinations and goodwill
Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in other expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits, respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-based Payment at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION continued

Business combinations and goodwill continued
Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the consolidated statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in consolidated statement of profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in consolidated statement of profit or loss.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Changes in Group's ownership interest in existing subsidiaries
Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the Owner of the Group.

When the Group loses control of a subsidiary, a gain or loss is recognised in statement of comprehensive income and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary.

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the initial carrying amount for the purposes of subsequent accounting for the retained interest as an investment in an associate or a joint venture or financial asset.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION continued

Acquisition of entities under common control
For transactions involving entities under common control, the Group adopts the pooling of interest method. Under the pooling of interest method, the carrying value of assets and liabilities are used to account for these transactions. No goodwill is recognised as a result of the combination. The only goodwill recognised is any existing goodwill relating to either of the combining entities. Any difference between the consideration paid and the business 'acquired' is reflected within **-** equity. The Group applies the pooling of interest prospectively and, accordingly, comparative information is not restated in the consolidated financial statements.

Borrowing costs
Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Property and equipment
Recognition and measurement
Items of property and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Gains and losses on disposal of item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognised net within "other income" in the consolidated statement of comprehensive income.

Subsequent costs
Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property and equipment. All other expenditure is recognised in the consolidated statement of comprehensive income as the expense is incurred.

Depreciation
Depreciation is recognised in the consolidated statement of comprehensive income on a straight line method over the estimated useful lives of property and equipment. The estimated useful lives for the current and comparative periods are as follows:

Leasehold improvements	10 years
Medical and other equipment	5-7 years
Computer and office equipment	4 years
Furniture and fixtures	2-5 years
Motor vehicles	5 years

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

An item of equipment and vehicles and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of comprehensive income when the asset is derecognised.

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

2.4 MATERIAL ACCOUNTING POLICY INFORMATION continued

Intangible assets
Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the consolidated statement of comprehensive income in the year in which the expenditure is incurred.

The useful lives of intangible assets, which is software, is 5 years.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of comprehensive income in the expense category consistent with the function of the intangible asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of comprehensive income when the asset is derecognised.

Inventories
Inventories are valued at the lower of cost, determined on the basis of weighted average cost, and net realisable value. Costs are those expenses incurred in bringing each item to its present location and condition. Net realisable value is based on estimated selling price less any further costs expected to be incurred on disposal.

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. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. 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. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are 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. 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. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. 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.

For assets excluding goodwill, 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.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION continued

Financial instruments - initial recognition and subsequent measurement
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.

i. Financial assets

Initial recognition and measurement
The financial assets are classified, at initial recognition, and 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. With the exception of trade receivables and bank balance 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 determined under IFRS 15.

In 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. 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. 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
For purposes of subsequent measurement, financial assets are classified in four categories:

a) Financial assets at amortised cost (debt instruments, cash and cash equivalents and trade receivables);
b) Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
c) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
d) Financial assets at fair value through profit or loss

The Group has the following financial assets:

Financial assets at amortised cost
The Group measures financial assets at amortised cost if both of the following conditions are met:

a) The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in the consolidated statement of profit or loss when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost include a certain portion of trade and other receivables, due from related parties and cash and bank balances.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION continued

Financial instruments - initial recognition and subsequent measurement continued

i. Financial assets continued

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 quoted equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on quoted and unquoted equity investments are recognised under investment and other income in the consolidated statement of profit or loss when the right of payment has been established.

Cash and cash equivalents
For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash in hand, bank balances and short-term deposits with an original maturity of three months or less.

Impairment and uncollectibility of financial assets
ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group assess receivable balances on an individual basis based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The expected credit losses are recognised in the consolidated statement of comprehensive income.

The Group considers a financial asset in default when contractual payments are 180 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.

Derecognition of financial assets
A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is primarily derecognised 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 the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group’s continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the 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.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION continued

Financial instruments - initial recognition and subsequent measurement continued

ii. Financial liabilities and equity instruments

Initial recognition and measurement
Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Financial liabilities
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include bank loans, lease liabilities, accounts payable and accruals.

Subsequent measurement
The measurement of financial liabilities depends on their classification as described below:

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

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

iii. 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.

Trade and other payables
Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Bank loans
Bank loans are initially recognised at fair value plus directly attributable transactions costs.

After initial recognition, interest-bearing loans are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of comprehensive income.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION continued

Provisions
Provisions are recognised when the Group has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount can be reliably estimated. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statement of comprehensive income net of any reimbursement.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation at the end of the reporting period, using a rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

Employees' end of service benefits
The Group provides end of service benefits to its expatriate employees in United Arab Emirates and Oman. The entitlement to these benefits is usually based upon the employees' final salary and length of service subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

Pension contributions are made in respect of UAE national employees in accordance with the UAE Federal Law No. (2), 2000 for Pension and Social Security. Such contributions are charged to the consolidated statement of comprehensive income during the employee's period of service.

Contingencies
Contingent liabilities are not recognised in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

Leases
The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee
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.

i) 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, 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.

Right-of-use assets which are mainly offices are depreciated on a straight-line basis over 5 years which is the shorter of the lease term and the estimated useful lives of the assets,

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION continued

Leases continued
Group as a lessee continued

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are disclosed as a separate line-item under current and non-current portion.

iii) 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). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor
Leases in which the Group does not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the consolidated statement of comprehensive income due to its operating nature. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Value-added Tax (VAT)
Expenses, and assets are recognised net of VAT, except:

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

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION continued

Taxation
Zakat and income tax are provided for in accordance with Saudi Arabian fiscal regulations and are charged to the statement of profit or loss. Additional amounts, if any, that claimed by the become due on the finalisation of an assessment are accounted for in the year in which the assessment is finalised.

Zakat and income tax assets and liabilities for the period 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. Management periodically evaluates positions taken in the Company's tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Foreign currencies
The Group 's consolidated financial statements are presented in AED Dirhams, which is also the functional currency of the Company. For each entity, the Group determines the functional currency and items included in the consolidated financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to consolidated statement of comprehensive income reflects the amount that arises from using this method.

Transactions and balances
Transactions in foreign currencies are initially recorded by the Group at respective currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange at the reporting date. All differences arising on settlement or translation of monetary items are taken to the consolidated statement of comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The gain or loss arising on retranslation of non-monetary items is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

Fair value measurements
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 to 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.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION continued

Fair value measurements 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.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Current versus non-current classification
The Group presents assets and liabilities in statement of financial position based on current / non-current classification.

An asset is classified as 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 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.

UAE Corporate Tax
On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime is effective from 1 June 2023 and accordingly, it has an income tax related impact on the financial statements for accounting periods beginning on or after 1 June 2023.

Decision No. 116 of 2022 (published in December 2022 and considered to be effective from 16 January 2023) specifies that taxable income not exceeding AED 375,000 would be subject to the 0% UAE CT rate, and taxable income exceeding AED 375,000 would be subject to the 9% UAE CT rate. With the publication of this Decision, the UAE CT Law is considered to be substantively enacted for the purposes of accounting for Income Taxes.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION continued

UAE Corporate Tax continued
The UAE CT Law shall apply to the Group with effect from 1 January 2024. The MoF continue to issue supplemental Decisions of the Cabinet of Ministers of the UAE (Decisions) to further clarify certain aspects of the UAE CT Law. Such Decisions, and other interpretive guidance of the UAE Federal Tax Authority, are required to fully evaluate the impact of the UAE CT Law on the Group.

Since the provisions of UAE CT law will apply to Tax Periods commencing on or after 1 June 2023, the related current taxes shall be accounted for in the consolidated financial statements for the period beginning 1 January 2024. However, the related deferred tax accounting impact has been considered for the financial year ended 31 December 2023. Following assessment of the potential impact of the UAE CT Law on the balance sheet, management do not consider there to be material temporary differences on which deferred taxes should be accounted.

The Group will continue to monitor the publication of subsequent decisions and related guidance, as well as continuing its more detailed review of its financial matters, to consider any changes to the position at subsequent reporting dates.

3 STANDARDS AND LAW ISSUED BUT NOT EFFECTIVE

New and amended standards and interpretations
The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

- Amendments to IFRS 16: Lease Liability in a Sale and Lease back
- Amendments to IAS 1: Classification of Liabilities as Current or Non-Current
- Supplier Finance Arrangement – Amendments to IAS 7 and IFRS 17

The Group does not expect that the adoption of these new and amended standards and interpretations will have a material impact on its consolidated financial statements.

4 SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of the consolidated financial statements in conformity with International Financial Reporting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of financial assets and liabilities and the disclosure of contingent liabilities. These judgments estimates and assumptions also affect the revenue, expenses and provisions as well as fair value changes. Actual results may differ from these estimates.

These judgments, estimates and assumptions may affect the reported amounts in subsequent financial years. Estimates and judgments are currently evaluated and are based on historical experience and other factors.

The key judgments, estimates and assumptions that have a significant impact on the consolidated financial statements of the Group are discussed below:

Judgements
Identifying performance obligations
At inception of the contract with customers, the Group assesses the performance obligations embedded in the contracts. Based on the assessment, the Group has concluded that sale of goods and healthcare services is generally expected to be the performance obligation. Management considers other incidental services are integral part of healthcare services and not capable of being distinct in the context of contract with the customers. There are no other performance obligations or benefits derived by the customers from the contracts.

4 SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS continued

Judgements continued
Determining method to estimate variable consideration and assessing the constraint
The contracts for the sale of goods include a right of return and discounts that give rise to variable consideration, primarily relating to pharmacy business. In estimating the variable consideration, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled. The Group determined that the expected value method is the appropriate method to use in estimating the variable consideration for the sale of goods with rights of return, given the large number of customer contracts that have similar characteristics. Before including any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions.

Transfer of control in contracts with customers
In cases where the Group determines that performance obligations are satisfied at a point in time, revenue is recognised when control over the asset that is the subject of the contract is transferred to the customer or benefits of the services being provided is received and consumed by the customer.

Principal versus agent considerations (judgement relating to revenue recognition)
The Group enters into contracts with its customers for supply of goods and services. The Group determined that it controls the goods and services before they are transferred to customers, and it has the ability to direct the use of the or obtain benefits from the good or services. The following factors indicate that the Group controls the goods before they are being transferred to customers. Therefore, the Group determined that it is a principle in all its revenue arrangements.

- The Group is primarily responsible for fulfilling the promise to provide the specified goods or services.
- The Group has inventory risk before the specified goods has been transferred to the customers.
- The Group has discretion in establishing the price for the specified goods or services.
- The Group is exposed to all the credit risks associated with the revenue arrangement.

Also, each contractual arrangement with individual doctors is assessed against specific criteria to determine whether the Group is acting as principal or agent in the arrangement with these doctors. The Group has determined that it is acting as Principal in these arrangements if it has the responsibility for providing the medical services to the patient, it acts as the primary obligator and it bears the risk of providing the medical service.

Use of estimates and assumptions
The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur. Certain of these accounting policies require critical accounting estimates that involve complex and subjective judgments and the use of assumptions, some of which may be for matters that are inherently uncertain and susceptible to change. Such critical accounting estimates could change from period to period and have a material impact on the Group's results of operations, consolidated financial positions and cash flows.

Impairment of non-financial assets
The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. The non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in arm's length transactions of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating units being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

4 SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS continued

Use of estimates and assumptions continued

Provision for expected credit losses

The expected credit loss (ECL) impairment model requires forward 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 judgement; 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 conditions. It is expected that under the new impairment model credit losses will be recognised earlier.

Leases – estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Fair value of financial instruments

When the fair value of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

5 REVENUE

	2023	*2022*
	AED	*AED*
Type of revenue		
Contract revenue	**263,691,769**	248,232,089
Medical services	**58,605,056**	60,136,215
Medical goods	**16,328,296**	4,761,882
Training	**5,544,667**	4,170,953
Other services	**1,189,145**	3,563,178
	345,358,933	320,864,317
Timing of revenue recognition		
Services transferred at the point in time	**343,347,008**	319,655,798
Goods transferred at the point in time	**2,011,925**	1,208,519
	345,358,933	320,864,317
Geographical location		
United Arab Emirates	**315,219,939**	297,482,631
Kingdom of Saudi Arabia	**29,799,849**	17,305,657
Sultanate of Oman	**339,145**	6,076,029
	345,358,933	320,864,317

6 REPORTING SEGMENTS

There is only one significant segment i.e., supply of manpower and medical equipment and management of hospitals, clinics and medical centers. Training is not considered as a significant segment as it currently generates less than 2% of the Group's revenue. The Group operates in the said reportable operating segment based on the nature of products, risks and returns, organisational and management structure and internal financial reporting systems. Accordingly, the figures reported in these consolidated financial statements relates to the Group's only reportable segment.

7 INVENTORIES CONSUMED

	2023	*2022*
	AED	*AED*
Inventories at 1 January	**6,755,102**	4,933,458
Addition through business combination under common control (Note 23)	**-**	136,390
Purchases during the year	**32,980,793**	26,787,394
Less: inventories at 31 December	**(9,838,625)**	(6,755,102)
Inventories consumed	**29,897,270**	25,102,140

8 STAFF COSTS

	2023	*2022*
	AED	*AED*
Salaries and wages	**170,290,462**	173,211,764
Other employees' benefits	**35,063,343**	43,614,982
	205,353,805	216,826,746

9 OTHER EXPENSES

	2023	*2022*
	AED	*AED*
Commission / agency' fees	**4,243,922**	2,688,482
Repairs and maintenance costs	**2,997,224**	3,135,497
Legal and professional expenses	**2,623,554**	3,353,398
Transportation costs	**2,552,571**	2,403,911
Directors' fees (note 15)	**2,025,000**	600,000
Housekeeping expenses	**1,710,850**	1,427,473
Event expenses	**1,390,139**	721,925
Insurance charges	**733,146**	639,606
Marketing expenses	**580,550**	1,624,633
Depreciation of right of use asset (note 12)	**346,836**	394,338
Medical and covid tests	**278,659**	1,817,782
Other expenses	**6,125,054**	7,162,520
	25,607,505	25,969,565

10 PROPERTY AND EQUIPMENT

	Leasehold improvements AED	*Medical and other equipment AED*	*Computer and office equipment AED*	*Furniture and fixtures AED*	*Motor vehicles AED*	*Total AED*
2023						
Cost:						
At 1 January 2023	5,708,737	7,921,384	2,846,482	3,241,839	31,042,780	50,761,222
Additions	2,914,344	6,404,209	943,790	568,733	20,051,652	30,882,728
Transferred to a related party	-	(40,259)	(37,148)	(43,529)	-	(120,936)
At 31 December 2023	**8,623,081**	**14,285,334**	**3,753,124**	**3,767,043**	**51,094,432**	**81,523,014**
Depreciation:						
At 1 January 2023	3,209,075	3,772,384	1,409,889	2,169,614	16,577,343	27,138,305
Transferred to a related party	-	(8,070)	(13,796)	(10,396)	-	(32,262)
Charge for the year	385,080	1,170,909	660,772	419,400	6,444,931	9,081,092
At 31 December 2023	**3,594,155**	**4,935,223**	**2,056,865**	**2,578,618**	**23,022,274**	**36,187,135**
Net carrying amount:						
At 31 December 2023	**5,028,926**	**9,350,111**	**1,696,259**	**1,188,425**	**28,072,158**	**45,335,879**
2022						
Cost:						
At 1 January 2022	4,955,923	4,510,126	1,530,784	2,652,847	20,632,314	34,281,994
Additions through business combination under common control	-	282,917	12,665	11,648	-	307,230
Additions	752,814	3,128,341	1,303,033	577,344	10,410,466	16,171,998
At 31 December 2022	5,708,737	7,921,384	2,846,482	3,241,839	31,042,780	50,761,222
Depreciation:						
At 1 January 2022	2,920,048	2,665,170	901,247	1,760,368	12,942,190	21,189,023
Additions through business combination under common control	-	273,262	2,902	11,648	-	287,812
Charge for the year	289,027	833,952	505,740	397,598	3,635,153	5,661,470
At 31 December 2022	3,209,075	3,772,384	1,409,889	2,169,614	16,577,343	27,138,305
Net carrying amount:						
At 31 December 2022	2,499,662	4,149,000	1,436,593	1,072,225	14,465,437	23,622,917

11 DIVIDENDS PAYABLE

The Board of Directors of the Company at their meeting held on 24 May 2023 have declared and paid a cash dividend of AED 14 million for the year ended 31 December 2023. The Company also paid the dividend of AED 50 million which was declared on 26 December 2022.

12 RIGHT OF USE ASSETS AND LEASE LIABILITIES

The movement in right-of-use assets is as follows:

	2023	*2022*
	AED	*AED*
As at 1 January	**887,261**	1,281,599
Addition	**225,589**	-
Depreciation expense	**(346,836)**	(394,338)
At 31 December	**766,014**	887,261

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

	2023	*2022*
	AED	*AED*
Non-current liabilities	**400,680**	599,857
Current liabilities	**418,032**	380,000
At 31 December	**818,712**	979,857

The movement in lease liabilities are as follows:

	2023	*2022*
	AED	*AED*
As at 1 January	**979,857**	1,313,209
Addition	**225,589**	-
Payments during the year	**(429,103)**	(380,000)
Interest expense for the year	**42,369**	46,648
At 31 December	**818,712**	979,857

The following are the amounts recognised in the consolidated statement of comprehensive income:

	2023	*2022*
	AED	*AED*
Depreciation expense of right-of-use assets	**346,836**	394,338
Interest expense on lease liabilities	**42,369**	46,648
	389,205	440,986

13 FINANCIAL ASSET

The Group made an investment in API Holding Limited (a company based in India) which is expected to be listed in 2025. There is no active reliable market for the investment, therefore, its cost is deemed to be the fair value as at the reporting date as explained in note 25. This investment is irrevocably designated at fair value through OCI as the Group considers these investments to be strategic in nature.

The investment represents 0.2% of the share capital of the investee as at reporting date.

	2023	*2022*
	AED	*AED*
Financial asset carried at fair value through OCI		
Non-listed investment		
At 1 January	**36,174,018**	36,174,018
Change in fair value	**(28,259,087)**	-
At 31 December	**7,914,931**	36,174,018

14 TRADE AND OTHER RECEIVABLES

	2023	*2022*
	AED	*AED*
Trade receivables	**116,196,354**	77,238,121
Less: provision for expected credit losses	**(22,514,338)**	(12,271,534)
	93,682,016	64,966,587
Unbilled receivables	**46,065,055**	43,083,292
Deposits	**14,672,617**	14,417,774
Prepayments	**7,219,557**	6,655,614
Advances and other receivables	**4,028,139**	896,750
	165,667,384	130,020,017

Movement in the provision for expected credit losses is as follows:

	2023	*2022*
	AED	*AED*
At 1 January	**12,271,534**	4,224,670
Charge for the year	**10,242,804**	8,046,864
At 31 December	**22,514,338**	12,271,534

14 TRADE AND OTHER RECEIVABLES continued

As at 31 December, the ageing analysis of gross trade receivable is as follows:

	Total AED	*0-30 days AED*	*31 – 180 days AED*	*180 – 360 days AED*	*>360 days AED*
31 December 2023					
Expected credit loss rate		**0%**	**0%**	**0%**	**76%**
Gross carrying amount at default	**116,196,354**	**32,426,531**	**48,695,540**	**10,316,052**	**24,758,231**
Less: expected credit losses	**(22,514,338)**	**-**	**-**	**-**	**(22,514,338)**
	93,682,016	**32,426,531**	**48,695,540**	**10,316,052**	**2,243,893**
31 December 2022					
Expected credit loss rate		0%	0%	0%	90%
Gross carrying amount at default	77,238,121	18,736,438	21,460,112	23,436,221	13,605,350
Less: expected credit losses	(12,271,534)	-	-	-	(12,271,534)
	64,966,587	18,736,438	21,460,112	23,436,221	1,333,816

15 RELATED PARTIES TRANSACTIONS AND BALANCES

Related parties represent associated companies, shareholders, 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 mutually agreed between the parties.

	2023 AED	*2022 AED*
Due from related parties:		
Entities under common control	**21,967,006**	20,571,252
Due to related parties:		
Entities under common control	**6,586,459**	1,007,046

Terms and conditions with related parties

Outstanding balances at the year-end arise in the normal course of business and due to receipt and payment transactions. The Group have not recorded any impairment of amounts due from related parties. This assessment is undertaken each reporting date through examining the financial position of the related party and the market in which the related party operates.

During the year, the Group entered into the following transactions with the related parties:

	2023 AED	*2022 AED*
Revenue	**12,428,277**	12,769,462
Purchases	**80,257**	122,244
Staff costs	**-**	100,432
Expenses charged	**1,558,806**	6,903,401
Directors' fees (Note 9)	**2,025,000**	600,000

16 CASH AND CASH EQUIVALENTS

	2023 AED	*2022 AED*
Cash in hand	**90,941**	109,740
Cash at bank	**26,604,360**	96,188,375
Fixed deposits (with original maturities less than 3 months)	**20,000,000**	-
	46,695,301	96,298,115

17 SHARE CAPITAL

	2023 AED	*2022 AED*
Authorised, issued and fully paid shares		
200,000,000 ordinary shares (2022: 200,000,000 shares) of AED 1 each (2022: AED 1 each)	**200,000,000**	200,000,000

17.1 Other reserves

Other reserves represent statutory reserves relating to subsidiaries. These reserves are not available for distribution except in such circumstances as specified in the relevant laws and regulations applicable to the respective entities in their country of incorporation.

17.2 Shareholders' account

Shareholders' account represents funds provided by a founding shareholder of the Company, towards meeting the Group's long term capital requirements. These funds are unsecured, interest free and repayment is at the discretion of the Company.

18 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit for the year of the Group by the weighted average number of shares in issue throughout the year as follows:

	2023 AED	*2022 AED*
Profit attributable to the owners of the Company (AED)	**49,388,421**	29,310,967
Weighted average number of shares (shares)	**200,000,000**	200,000,000
Basic earnings per share for the year (AED)	**0.25**	0.15

There are no dilutive instruments therefore, diluted earnings per share is the same as basic earnings per share.

19 EMPLOYEES' END OF SERVICE BENEFITS

	2023 AED	2022 AED
At 1 January	**10,817,728**	5,606,076
Transferred from a related party	**4,221**	5,159
Charge for the year	**4,093,573**	6,404,103
Paid during the year	**(1,465,028)**	(1,197,610)
At 31 December	**13,450,494**	10,817,728

20 VEHICLE LOANS

	2023		2022	
	Current AED	Non-current AED	Current AED	Non-current AED
Loan I (note a)	**71,343**	**-**	323,315	71,336
Loan II (note b)	**-**	**-**	68,444	-
	71,343	**-**	391,759	71,336

(a) In 2019, Response Plus Medical Services LLC entered into a loan agreement with a commercial bank in Abu Dhabi to finance vehicles. The loan is repayable in 60 equal instalments over a period of 5 years.

(b) In 2018, Response Plus Medical Services LLC had entered into loan agreement with a commercial bank in Abu Dhabi to finance vehicles. The loan carried interest at market rates and was repayable in 60 equal instalments over a period of 5 years. During the year, loan was fully paid.

21 TRADE AND OTHER PAYABLES

	2023 AED	2022 AED
Trade payables	**31,117,507**	14,741,477
Taxes payable	**3,157,406**	3,480,209
Staff costs payable	**8,314,118**	6,417,904
Accrued expenses	**3,068,431**	2,031,793
Other payables	**1,560,106**	1,478,343
	47,217,568	28,149,726

22 CONTINGENT LIABILITIES

	2023 AED	2022 AED
Letters of guarantees	**36,616,843**	36,858,482
Capital commitments	**2,100,000**	-

At 31 December 2023, the subsidiaries had capital expenditure commitments and contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise.

23 BUSINESS COMBINATIONS UNDER COMMON CONTROL

In 2022, the Group acquired Health Tech Training LLC ("HTT") as business combination under common control. The Group has consolidated the income, expenses, assets and liabilities of acquired entity from 3 January 2022 when control was passed. HTT is a limited liability company incorporated in the Emirate of Abu Dhabi, United Arab Emirates and is involved in the training of medical staff, onshore, offshore oil and gas field services.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below:

	Total AED
Assets	
Property and equipment	19,418
Inventories	136,390
Trade and other receivables	250,180
Due from related parties	4,989,367
Cash and bank balances	331,756
	5,727,111
Liabilities	
Accounts payable and accruals	273,310
Due to related parties	1,156,528
	1,429,838
Total identifiable net assets	4,297,273
Purchase consideration paid	(9,800,000)
Merger reserve	**(5,502,727)**

24 RISK MANAGEMENT

The Group's principal financial liabilities consist of accounts payable, amounts due to related parties, lease liability, vehicle loans and certain other liabilities. The main purpose of the financial liabilities is to raise finance for the Group's operations. The Group has various financial assets such as accounts receivable, amounts due from related parties and bank balances and cash and certain other assets, which arise directly from its operations.

The main risks arising from the Group's financial instruments are liquidity risk and credit risk. Management reviews and agrees policies for managing each of these risks which are summarised below:

24 RISK MANAGEMENT continued

Credit risk
The Group trades only with recognised, creditworthy third parties. Receivable balances are monitored on an ongoing basis with the result that the Group's exposure to credit losses is not significant. The maximum exposure is the carrying amount as disclosed in Note 14. The Group's five largest customers account for approximately 41% of outstanding accounts receivable at 31 December 2023 (2022: 59%). The average credit period on trade receivables is 120 days (2022: 120 days). Credit risk is limited to the carrying values of financial assets in the consolidated statement of financial position.

Foreign currency risk
Foreign currency risk comprises of transaction and consolidated statement of financial position risk. Transaction risk relates to the Group's cash flow being adversely affected by a change in the exchange rates of foreign currencies against UAE Dirhams. Consolidated statement of financial position risk relates to the risk of the Group's monetary assets and liabilities in foreign currencies acquiring a lower or higher value, when translated into UAE Dirhams, as a result of currency movements.

Foreign currency risk is limited since a significant proportion of the Group's transactions, monetary assets and liabilities are in UAE Dirhams and US Dollars. As the UAE Dirhams is pegged to the US Dollar, balances in US Dollars are not considered to represent significant currency risk.

Liquidity risk
Liquidity risk refers to the risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities at maturity date.

The Group manages the liquidity risk through risk management framework for the Group's short, medium and long-term funding and liquidity management requirements by maintaining adequate reserves, sufficient cash and cash equivalent to ensure funds are available from operations and related parties to meet its commitments for liabilities as they fall due.

The table given below analyses the Group's remaining contractual maturity for its financial liabilities based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. The contractual maturity is based on the earliest date on which the Group may be required to pay.

	Less than 3 months AED	*3 to 12 months AED*	*1 to 5 years AED*	*Total AED*
2023				
Accounts payable and others	**11,471,524**	**32,677,613**	**-**	**44,149,137**
Lease liabilities	**90,476**	**338,628**	**429,104**	**858,208**
Vehicle loans	**-**	**71,343**	**-**	**71,343**
Due to related parties	**-**	**6,586,459**	**-**	**6,586,459**
Total	**11,562,000**	**39,674,043**	**429,104**	**51,665,147**
2022				
Accounts payable and others	9,898,113	16,219,280	-	26,117,933
Lease liabilities	90,816	264,986	664,199	1,020,001
Vehicle loans	120,288	294,977	75,616	490,881
Due to related parties	-	1,007,046	-	1,007,046
Total	10,109,217	17,786,289	739,815	28,635,321

24 RISK MANAGEMENT continued

Capital management
The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in business conditions. No changes were made in the objectives, policies or processes during the years ended 31 December 2023 and 31 December 2022.

25 FAIR VALUES OF FINANCIAL INSTRUMENTS

The fair values of financial assets and financial liabilities are determined as follows:

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices at the close of the business on the reporting date.
- The fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

Fair value of the Group's assets that are measured at fair value on recurring basis
The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable and gives information about how the fair value of these financial assets are determined.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table gives information about how the fair value of the Company's assets are determined.

	Fair value as at					
Financial assets	*31 December 2023 AED*	*31 December 2022 AED*	*Fair value hierarchy*	*Valuation techniques and key inputs*	*Significant unobservable input*	*Relationship of unobservable inputs to fair value*
Non-listed equity investments	**7,914,931**	36,174,018	Level 3	Last transaction price	Net assets value	Higher the net assets value of the investees, higher the fair value.

There were no transfers between each of levels during the year. There are no financial liabilities which should be measured at fair value and accordingly no disclosure is made in the above table.

26 COMPARATIVE FIGURES

Certain comparative figures have been reclassified, wherever necessary, to conform to the presentation adopted in the consolidated financial statements. These reclassifications have no impact on the total assets, total liabilities, total equity and profit of the Group.

27 EVENTS AFTER THE REPORTING PERIOD

Subsequent to the year end, the Company's subsidiary, Response Plus Medical Services LLC, signed an agreement with Safeguard Medical Group to acquire the entire issued share capital of Prometheus Medical Training Center LLC and the training and consultancy business and assets of Prometheus Medical Ltd and the training and consultancy business of Safeguard Medical Nordic AS.