

BHM CAPITAL FINANCIAL SERVICES PSC

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
Three-month period ended

31 March 2024

BHM CAPITAL FINANCIAL SERVICES PSC
CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
For the Three-month period ended 31 March 2024

<u>Contents</u>	<u>Page</u>
Independent auditors' report on review of condensed consolidated interim financial information	1-2
Condensed consolidated interim statement of financial position	3
Condensed consolidated interim statements of profit or loss and comprehensive income	4
Condensed consolidated interim statement of changes in equity	5
Condensed consolidated interim statement of cash flows	6 - 7
Notes to the condensed consolidated interim financial information	8 - 16



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Independent Auditors' Report on Review of Condensed Consolidated Interim Financial Information

To the Shareholders of BHM Capital Financial Services PSC

Introduction

We have reviewed the accompanying 31 March 2024 condensed consolidated interim financial information of BHM Capital Financial Services PSC (the "Company") and its subsidiary ("the Group"), which comprises:

- the condensed consolidated interim statement of financial position as at 31 March 2024;
- the condensed consolidated interim statements of profit or loss and comprehensive income for the three-month period ended 31 March 2024;
- the condensed consolidated interim statement of changes in equity for the three-month period ended 31 March 2024;
- the condensed consolidated interim statement of cash flows for the three-month period ended 31 March 2024; and
- notes to the condensed consolidated interim financial information.

Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, *'Interim Financial Reporting'*. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"*. A review of condensed consolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



BHM Capital Financial Services PSC
Independent Auditors' Report on Review
of Condensed Consolidated Interim Financial
Information for period ended 31 March 2024

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 31 March 2024 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

Other Matter

The consolidated financial statements of the Group as at and for the year ended 31 December 2023 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on 7 February 2024. Furthermore, the condensed consolidated interim financial statements of the Group as at and for the three-month period ended 31 March 2023 was reviewed by another auditor who expressed an unqualified conclusion on those condensed consolidated interim financial statements on 11 May 2023.


KPMG Lower Gulf Limited

Fawzi AbuRass
Registration No: 968
Dubai, United Arab Emirates

Date: **10 MAY 2024**

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
31 March 2024

		31 March 2024	31 December 2023
		AED	AED
	<i>Note</i>	<i>(Un-audited)</i>	<i>(Audited)</i>
ASSETS			
NON-CURRENT ASSETS			
Goodwill and other intangible assets	4	40,952,533	40,934,650
Property and equipment		7,686,584	8,031,528
Right-of-use asset	5(a)	725,133	793,115
Total non-current assets		49,364,250	49,759,293
CURRENT ASSETS			
Short term deposit under lien		68,101,000	68,101,000
Trade and other receivables	7	766,258,087	750,532,623
Financial assets through profit and loss	6	16,659,934	2,848,738
Cash and bank balances	9	350,681,772	349,365,124
Total current assets		1,201,700,793	1,170,847,485
Total assets		1,251,065,043	1,220,606,778
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Share capital	10	173,431,068	173,431,068
Treasury shares	10(a)	-	(12,980,210)
Legal reserve	10(b)	11,057,003	11,057,003
Fair value through OCI reserve		(8,824,239)	(8,824,239)
Retained earnings		72,883,096	63,738,527
Total equity		248,546,928	226,422,149
NON-CURRENT LIABILITIES			
Bank borrowings	11	2,091,643	2,091,642
Employees' end of service benefits	12	4,757,524	4,433,875
Lease liability	5(c)	453,062	453,062
Total non-current liabilities		7,302,229	6,978,579
CURRENT LIABILITIES			
Trade and other payables	13	604,454,839	644,580,683
Bank borrowings	11	389,420,731	342,417,136
Corporate tax liability		1,091,609	-
Lease liability	5(c)	248,707	208,231
Total current liabilities		995,215,886	987,206,050
Total equity and liabilities		1,251,065,043	1,220,606,778


Abdel Hadi AL Sadi
CEO

The independent auditor's review report is set on pages 1 and 2 of these condensed consolidated interim financial statements. The accompanying notes from pages 8 to 16 form an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF PROFIT OR LOSS AND COMPREHENSIVE INCOME
Three Months Ended 31 March 2024

	Note	<i>Three months ended</i>	
		31 March 2024	31 March 2023
		AED	AED
		(Un-audited)	(Un-audited)
INCOME			
Commission and advisory income		14,561,342	12,992,838
Income from margin trading		20,072,984	8,845,237
Finance income		134,997	40,979
Other Income		2,716,919	3,574,084
		<u>37,486,242</u>	<u>25,453,138</u>
EXPENSES			
General and administrative expenses	15	(20,405,575)	(16,397,401)
Financial charges		(6,844,489)	(1,696,616)
		<u>(27,250,064)</u>	<u>(18,094,017)</u>
PROFIT BEFORE TAX		<u>10,236,178</u>	<u>7,359,121</u>
Taxation	18	(1,091,609)	-
PROFIT FOR THE PERIOD		<u>9,144,569</u>	<u>7,359,121</u>
STATEMENT OF COMPREHENSIVE INCOME			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Other comprehensive income		-	108,999
Net other comprehensive income not to be reclassified subsequently to profit or loss		-	108,999
<i>Items that will be reclassified subsequently to profit or loss:</i>			
Net other comprehensive income to be reclassified subsequently to profit or loss		-	-
TOTAL COMPREHENSIVE PROFIT FOR THE PERIOD		<u>9,144,569</u>	<u>7,468,120</u>
Basic and diluted earnings per share (AED per share)		<u>0.056</u>	<u>0.044</u>

The independent auditor's review report is set on pages 1 and 2 of these condensed consolidated interim financial statements. The accompanying notes from pages 8 to 16 form an integral part of these condensed consolidated interim financial statements.

BHM CAPITAL FINANCIAL SERVICES PSC

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

Three Months Ended 31 March 2024

	Share capital AED Note 10	Treasury reserve AED Note 10(a)	Legal reserve AED Note 10(b)	Fair value through OCI AED	Retained earnings AED	Total AED
Balance at 1 January 2023	173,431,068	(14,650,274)	7,522,557	(5,017,755)	31,928,515	193,214,111
Total comprehensive income for the period						
Profit for the period	-	-	-	-	7,359,121	7,359,121
Other comprehensive income for the period	-	-	-	108,999	-	108,999
Total comprehensive income for the period	-	-	-	108,999	7,359,121	7,468,120
Balance at 31 March 2023	173,431,068	(14,650,274)	7,522,557	(4,908,756)	39,287,636	200,682,231
Balance at 1 January 2024	173,431,068	(12,980,210)	11,057,003	(8,824,239)	63,738,527	226,422,149
Total comprehensive income for the period						
Profit for the period	-	-	-	-	9,144,569	9,144,569
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	9,144,569	9,144,569
Transactions with owners:						
Disposal of treasury shares	-	12,980,210	-	-	-	12,980,210
Balance at 31 March 2024	173,431,068	-	11,057,003	(8,824,239)	72,883,096	248,546,928
Balances in (brackets) indicate debit amount						

The independent auditor's review report is set on pages 1 and 2 of these condensed consolidated interim financial statements. The accompanying notes from pages 8 to 16 form an integral part of these condensed consolidated interim financial statements.

BHM CAPITAL FINANCIAL SERVICES PSC

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASHFLOWS

Three Months Ended 31 March 2024

	<i>Three months ended</i>	
	31 March 2024	31 March 2023
	AED	AED
	(Un-audited)	(Un-audited)
OPERATING ACTIVITIES		
Profit for the period	9,144,569	7,359,121
Adjustment for:		
Depreciation on property and equipment	398,804	505,091
Depreciation on right of use asset	67,982	-
Amortization of intangible assets	202,917	197,500
Interest expense on lease liability	40,476	-
Unrealized loss / (gain) on investment	610,608	(612,985)
Interest on bank borrowings	6,586,410	810,337
Interest income on deposits	(134,997)	(40,979)
Exchange gain or loss	(904,117)	(931,199)
Purchase of financial assets through profit and loss	(14,421,804)	(5,020,426)
Provision for employees' end of service benefits	323,649	405,496
Operating profit before working capital changes	1,914,497	2,671,956
Change in trade and other receivables	(15,725,464)	(45,903,255)
Change in trade and other payables	(22,930,970)	(35,247,622)
	(36,741,937)	(73,439,916)
Interest received on deposits	134,997	40,979
Payment of gratuity	-	(1,972)
Cash (used in) operating activities	(36,606,940)	(78,439,916)
INVESTING ACTIVITIES		
Purchase of furniture and equipment – net	(53,859)	(81,041)
Purchase of intangible assets	(220,800)	-
Cash flow (used in) investing activities	(274,659)	(81,041)
FINANCING ACTIVITIES		
Repayment of bank borrowings	(179,283)	(179,284)
Interest paid on bank borrowings	(6,586,410)	(810,337)
Disposal of treasury shares	12,980,210	-
Additions of Bank Facility	47,182,879	-
Additions of short term loan	-	75,000,000
Cash flow generated from financing activities	53,397,396	74,010,378
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	16,515,797	(4,510,577)
Exchange Gain	904,117	931,199
Net Increase / (Decrease) in cash and cash equivalents after exchange gain / loss	17,419,914	(3,579,378)
Cash and cash equivalents at beginning of period	38,571,158	28,539,357
CASH AND CASH EQUIVALENTS AT 31 March	55,991,072	24,959,979

BHM CAPITAL FINANCIAL SERVICES PSC

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASHFLOWS *(continued)*
Three Months Ended 31 March 2024

	31 March 2024 AED (Un-audited)	31 March 2023 AED (Un-audited)
<u>Represented by:</u>		
Cash and bank balances	350,681,772	725,655,567
Client deposits	<u>(294,690,700)</u>	<u>(700,695,588)</u>
Cash and cash equivalents at the end of period	<u>55,991,072</u>	<u>24,959,979</u>

The independent auditor's review report is set on pages 1 and 2 of these condensed consolidated interim financial statements. The accompanying notes from pages 8 to 16 form an integral part of these condensed consolidated interim financial statements.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
31 March 2024

1 Legal status and principal activities

BHM Capital Financial Services PSC ("the Company"), was incorporated on 11 March 2006 in accordance with the provisions of UAE Federal Law for Commercial Companies. The registered office of the Company is P.O. Box 26730, Dubai, United Arab Emirates. The current shareholding of company is as follows:

<u>Shareholders</u>	<u>Ownership</u>
ElH Financial Services L.L.C - O.P.C	67.85%
Jordan Kuwait Bank	10.00%
Others	22.15%

On 14 July 2009, Al Safwa Islamic Financial Services established a subsidiary by subscribing to 10,000,000 shares of AED 1 each representing 100% equity shares in Al Safwa Capital LLC (the "subsidiary" or "Al Safwa") incorporated in the Emirates of Sharjah in accordance with the provision of the UAE Federal Law for Commercial Companies. On 26 November 2015 Al Safwa Capital LLC was listed on Dubai Financial Market ("DFM") as Private Joint Stock Company (PrJSC). The principal activity of the subsidiary is to hold investment properties and investment securities.

As further explained in note 4, on 8 December 2016, the operations of Mubasher Financial Services LLC ("MFS") merged with Al Safwa and the combined entity was renamed as Al Safwa Mubasher Financial Services PrJSC. Al Safwa Mubasher Financial Services PrJSC continues to be listed on the DFM as a Private Joint Stock Company.

On 30 May 2019, the structure of shareholding has been changed and it has been updated with DFM. The name of the Company also changed from Al Safwa Mubasher Financial Services (PrJSC) to BH Mubasher Financial Services PSC and subsequently changed to BHM Capital Financial Services PSC.

The condensed consolidated financial information comprise of the Company and its wholly owned subsidiary, Al Safwa Capital LLC (collectively referred to as "the Group").

The principal activity of the Company is to act as an intermediary in dealings in shares, stocks, debentures and other securities including margin trading.

The consolidated interim financial information have been approved by Board of Directors on 10 May 2024.

2 MATERIAL ACCOUNTING POLICIESStatement of compliance

The condensed consolidated financial statements for the three months period ended 31 March 2024 have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting issued by International Accounting Standard Board ("IASB") and comply with the provisions of the UAE Companies law. The condensed consolidated interim financial statements do not include all of the information required for the full annual audited consolidated financial statements, and should be read in conjunction with the audited consolidated financial statements of the Group for the year ended 31 December 2023. In addition, results for the period from 1 January 2024 to 31 March 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern. The Directors consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of new and amended standards as set out below. However, not all are expected to impact the Group's as they are either not relevant to the Group's activities or require accounting which is consistent with the Group's current accounting policies.

The following new standards and amendments are effective for the period beginning on or after 1 January 2024:

- Amendments to IAS 1 – Presentation of financial statements on classification of liabilities
- Amendment to IAS 1 – Non-current liabilities with covenants
- Amendment to IFRS 16 – Lease liability on sale and leaseback

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (continued)

31 March 2024

2 MATERIAL ACCOUNTING POLICIES (continued)

Statement of compliance (continued)

- Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements
- Amendments to IAS 21 – Lack of Exchangeability

These amendments had no effect on the interim condensed consolidated financial statements of the Group.

3 FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives, policies and procedures are consistent with those disclosed in the annual audited financial statements as at and for the year ended 31 December 2023.

4 GOODWILL AND OTHER INTANGIBLE ASSETS

Pursuant to a merger agreement between Al Safwa and MFS and shareholder resolutions of respective entities dated 21 January 2016, Ministerial Resolution number (499)/2016 issued by Ministry of Economy on 19 September 2016, and Emirates Securities and Commodities Authority ("ESCA") approval dated 11 October 2016 approving the merger, the Company commenced operations and traded as a combined entity under the revised name of Al Safwa Mubasher Financial Services with effect from 8 December 2016, on completion of the formalities of the UAE exchanges. As a result of the merger goodwill and client relationship arose, goodwill is tested annually for the impairment and client relationship is being amortised over its useful life.

The movement in goodwill and other intangible assets during the year is as follows:

	Goodwill AED	Client relationships AED	Software AED	Capital WIP AED	Total AED
As at 1 January 2024	38,379,061	2,370,000	61,389	124,200	40,934,650
Additions during the period	-	-	-	220,800	220,800
As at 31 March 2024	38,379,061	2,370,000	61,389	345,000	41,155,450
Amortization for the period	-	(197,500)	(5,417)	-	(202,917)
As at 31 March 2024 (Un-audited)	38,379,061	2,172,500	55,972	345,000	40,952,533
As at 31 December 2023 (Audited)	38,379,061	2,370,000	61,389	124,200	40,934,650

5 LEASES

This note provides information for leases where the Company is a lessee. The Company has only one lease arrangement which is for Abu Dhabi office. Rental contract is for fixed period of three years.

5(a) RIGHT-OF-USE ASSET

	31 March 2024 AED (Un-audited)	31 December 2023 AED (Audited)
Balance at 01 January	793,115	-
Addition during the period	-	815,775
Accumulated depreciation (Note 5(b))	(67,982)	(22,660)
Balance at 31 March / 31 December	725,133	793,115

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(continued)*
31 March 2024

5 LEASES *(continued)***5(b) ACCUMULATED DEPRECIATION OF RIGHT-OF-USE ASSET**

	31 March 2024 AED (Un-audited)	31 December 2023 AED (Audited)
Balance at 1 January	22,660	-
Charge for the period	67,982	22,660
Balance at 31 March / 31 December	<u>90,642</u>	<u>22,660</u>

5(c) LEASE LIABILITY

	31 March 2024 AED (Un-audited)	31 December 2023 AED (Audited)
Balance at 1 January	661,293	-
Addition during the period	-	815,775
Accretion of interest	40,476	12,967
Repayment of lease liability	-	(167,449)
Balance at 31 March / 31 December	<u>701,769</u>	<u>661,293</u>

Disclosed as under:

Non-current liabilities	453,062	453,062
Current liabilities	248,707	208,231
Balance at 31 March / 31 December	<u>701,769</u>	<u>661,293</u>

6 FINANCIAL ASSETS

The Group have the following financial assets:

FINANCIAL ASSETS THROUGH OTHER COMPREHENSIVE INCOME

	31 March 2024 AED (Un-audited)	31 December 2023 AED (Audited)
Investment in private joint stock company	-	-
Investment in quoted shares	-	-
Total financial assets through other comprehensive income	<u>-</u>	<u>-</u>

Reconciliation of the fair values at the beginning and end of the current and previous financial year/period are set out below:

	<i>Listed</i> <i>AED</i>	<i>Unlisted</i> <i>AED</i>	<i>Total</i> <i>AED</i>
As at 1 January 2023	812,538	2,993,946	3,806,484
Change in fair value	<u>(812,538)</u>	<u>(2,993,946)</u>	<u>(3,806,484)</u>
As at 31 December 2023	-	-	-
Change in fair value	<u>-</u>	<u>-</u>	<u>-</u>
As at 31 March 2024	<u>-</u>	<u>-</u>	<u>-</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (continued)

31 March 2024

6 FINANCIAL ASSETS (continued)

Investment in unquoted securities classified as fair value through other comprehensive income (FVTOCI) represents 2.5% of interest held in National Real Estate Development and Investment SAOC, a private joint stock company incorporated in the Sultanate of Oman and primarily involved in real estate development. The investment was acquired through the business combination.

The Company elected to present in OCI the changes in the fair value of the investment because these investments are held as long-term strategic investments that are not expected to be sold in the short to medium term.

FINANCIAL ASSETS THROUGH PROFIT AND LOSS

	31 March 2024	31 December 2023
	AED	AED
	Un-audited)	(Audited)
<u>Investments in local and foreign quoted shares</u>		
As at 1 January	2,848,738	11,992,836
Additions (disposals) during the period / year	14,421,804	(8,900,666)
Fair value change during the period / year	(610,608)	(243,432)
As at 31 March / 31 December	<u>16,659,934</u>	<u>2,848,738</u>

Investment in securities classified as fair value through profit and loss (FVTPL) represent a portfolio of investments in local and foreign quoted shares.

7 TRADE AND OTHER RECEIVABLES

	31 March 2024	31 December 2023
	AED	AED
	(Un-audited)	(Audited)
Receivable from customers	590,732,418	578,773,945
Allowances for expected credit losses (note 7.1)	(2,361,871)	(2,361,871)
	<u>588,370,547</u>	<u>576,412,074</u>
Prepayments	5,466,874	3,488,243
<u>Other receivables:</u>		
Net settlement due from:		
- Dubai Financial Market (DFM)	-	42,689,086
- Abu Dhabi Securities Exchange (ADX)	-	77,646,585
- NASDAQ	-	584
Deposits	11,563,463	11,651,298
Receivable from broker	1,070,209	-
Others (note 7.2)	159,786,994	38,644,753
Total trade and other receivables	<u>766,258,087</u>	<u>750,532,623</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (continued)

31 March 2024

7 TRADE AND OTHER RECEIVABLES (continued)**7.1** Movement in allowance for expected credit losses:

	31 March 2024 AED (Un-audited)	31 December 2023 AED (Audited)
At 1 January	2,361,871	4,536,408
Reversal of provision	-	(1,710,877)
Written off during the year	-	(463,660)
At 31 March / 31 December	<u>2,361,871</u>	<u>2,361,871</u>

7.2 This mainly consist of the balances related to liquidity provider services of AED 146 million (31 December 2023: AED 37 million).

8 RELATED PARTY TRANSACTIONS AND BALANCES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include, parent, subsidiaries, key management personnel or their close family members.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director, executive or otherwise, of the Group. Transactions with related parties are conducted on terms agreed mutually between the parties.

Transactions with related parties during the period are as follows:

8(a) Transactions during the period

	31 March 2024 AED (Un-audited)	31 March 2023 AED (Un-audited)
Salary and benefits provided to key management personnel	<u>1,715,054</u>	<u>1,543,310</u>

8(b) As at 31 March 2023, the Group also has margin trading receivable amounts with key management personnel.

9 CASH AND BANK BALANCES

	31 March 2024 AED (Un-audited)	31 December 2023 AED (Audited)
Cash and bank		
- Group's deposits	55,990,834	38,570,920
- Petty cash	238	238
- Customers' deposits (note 9.1)	<u>294,690,700</u>	<u>310,793,966</u>
Cash and bank	<u>350,681,772</u>	<u>349,365,124</u>
Customers' deposits	<u>(294,690,700)</u>	<u>(310,793,966)</u>
Cash and cash equivalents	<u>55,991,072</u>	<u>38,571,158</u>

9.1 In accordance with the regulations issued by the Emirates Securities and Commodities Authority ("SCA"), the Group maintains separate bank accounts for amounts received from its customers ("customer deposits") which are not available to the Group other than to settle transactions executed on behalf of such customers.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (continued)

31 March 2024

10 SHARE CAPITAL

	31 March 2024 Number of shares (Un-audited)	31 December 2023 Number of shares (Audited)
In issue at 1 January	173,431,068	173,431,068
Cancellation of shares	-	-
Total paid in capital (AED)	173,431,068	173,431,068

10(a) Treasury shares

	2024 No. of shares	2023 No. of shares	2024 AED	2023 AED
Employee Stock Options Program	-	11,843,106	-	12,980,210

10(b) Legal reserve

In accordance with UAE Federal Law (32) of 2021, a minimum of 10% of the annual profit is to be transferred to this non-distributable statutory reserve. Such transfers may cease when the statutory reserve becomes equal to half of the paid up share capital.

11 BANK BORROWINGS

	31 March 2024 AED (Un-audited)	31 December 2023 AED (Audited)
Ijarah Facility (note a)	2,629,495	2,808,778
Short-term borrowings (note b)	85,190,701	36,700,000
Bank overdraft (note c)	303,692,178	305,000,000
Total borrowings	391,512,374	344,508,778
<u>Disclosed under statement of financial position as follows:</u>		
Non-current portion of borrowings	2,091,643	2,091,642
Current portion of borrowings	389,420,731	342,417,136
	391,512,374	344,508,778

- a In 2008, the Group was granted a forward Ijarah facility from the Islamic Bank to purchase an office space in the Emirate of Dubai. On 8 November 2012, the Group obtained the possession of office premises and the Ijarah facility of AED 24,051,620 was rescheduled to be repayable in 180 equal monthly instalments commencing from 8 December 2012. The Ijarah facility bears a profit rate.
- b Short term loan amounting AED 85.19 million is interest bearing loan which is re-payable on demand.
- c The Company has obtained a bank overdraft facility of AED 305 million (31 December 2023: AED 305 million). As on the reporting date, the Company has drawn down AED 303 million (31 December 2023: AED 305 million). The loan amount is re-payable within a year.

At the reporting date, the Group has obtained following facilities from bank:

Facility	Limit(AED)
Letters of guarantee	50,000,000

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (continued)
31 March 2024

12 EMPLOYEES' END OF SERVICE BENEFITS

	31 March 2024 AED (Un-audited)	31 December 2023 AED (Audited)
Balance as on 1 January	4,433,875	3,400,271
Charge for the period	323,649	1,296,260
Paid during the period	-	(262,656)
Balance as on 31 March / 31 December	<u>4,757,524</u>	<u>4,433,875</u>

13 TRADE AND OTHER PAYABLES

	31 March 2024 AED (Un-audited)	31 December 2023 AED (Audited)
Customers' deposits	294,690,700	310,793,966
Customers' deposits with foreign markets	27,694,122	7,530,218
Customers' unsettled balances	-	164,865,384
Net settlement due to:		
- Dubai Financial Market (DFM)	17,848,558	-
- Abu Dhabi Securities Exchange (ADX)	19,381,731	-
-NASDAQ Dubai (NASDAQ)	7,082	-
Short term advances	3,706,329	4,956,329
Other payables and accruals (Note 13.1)	241,126,317	156,434,786
Total trade and other payables	<u>604,454,839</u>	<u>644,580,683</u>

13.1 This mainly pertains to balances related to asset management services of AED 179 million (31 December 2023: AED 18 million).

14 CONTINGENT LIABILITIES

	31 March 2024 AED (Un-audited)	31 December 2023 AED (Audited)
Guarantees issued to:		
Abu Dhabi Securities Exchange (ADX)	33,000,000	33,000,000
Dubai Financial Markets (DFM)	17,000,000	17,000,000
NASDAQ Dubai Limited (NASDAQ)	5,527,500	5,527,500
	<u>55,527,500</u>	<u>55,527,500</u>

The guarantees issued are secured by fixed deposits of AED 19,196,900 (31 December 2023: AED 19,196,900).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (continued)

31 March 2024

15 GENERAL AND ADMINISTRATIVE EXPENSES

Three months ended

	31 March 2024 AED (Un-audited)	31 March 2023 AED (Un-audited)
Staff cost	13,594,976	10,643,411
Trading cost	3,213,991	1,622,238
Depreciation on property and equipment	398,804	505,091
Depreciation on right of use assets	67,982	-
Amortization on intangible assets	202,917	197,500
Short term lease expenses	52,363	112,040
Legal and Professional	824,355	240,467
Registration and licensing	275,959	217,310
Communication	61,421	82,114
Other expenses	1,712,807	2,777,230
Total general and administrative expenses	20,405,575	16,397,401

16 FAIR VALUE HIERARCHY OF ASSETS MEASURED AT FAIR VALUE

	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
31 March 2024 (Un-audited)				
Financial assets – Investment at fair value through P&L	16,659,934	-	-	16,659,934
Financial assets – Investment at fair value through OCI	-	-	-	-
31 March 2023 (Un-audited)				
Financial assets – Investment at fair value through P&L	17,626,247	-	-	17,626,247
Financial assets – Investment at fair value through OCI	921,537	-	2,993,946	3,915,483

17 BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share are calculated by dividing the profit or loss for the period attributable to owners of the Group by the weighted average number of shares outstanding during the period as follows:

	31 March 2024 AED (Un-audited)	31 March 2023 AED (Un-audited)
Profit for the period attributable to shareholders of the Group	9,144,569	7,359,121
Weighted average number of shares outstanding during the period	163,149,690	166,084,453
Basic and diluted earning per share (AED per share)	0.056	0.044

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(continued)*
31 March 2024

18 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 ("UAE CT Law" or the "Law") to enact a Federal corporate tax ("CT") regime in the UAE. The new CT regime has become effective for accounting periods beginning on or after 1 June 2023.

The taxable income of the entities that are in scope for UAE CT purposes will be subject to the rate of 9% corporate tax or 0% for qualifying free zone persons.

The Group's consolidated effective tax rate in respect of continuing operations for the three months period ended 31 March 2024 was 10.66% percent (three months ended 31 March 2023: Nil) since the new CT Law has become effective for accounting periods beginning on or after 1 June 2023. The effective tax rate in the interim financial statements may differ from management's estimate of the effective tax rate for the annual financial statements.

The major components of income tax expense for the three month period ended 31 March 2024 are:

	<u>Three months ended</u>	
	31 March 2024	31 March 2023
	AED	AED
	(Un-audited)	(Un-audited)
Condensed consolidated interim statement of profit or loss		
Current tax charge / (income):		
- Current tax charge	1,091,609	-
Deferred tax charge / (income)		
- Relating to origination and reversal of temporary differences	-	-
- Relating to enactment of UAE corporate income tax	-	-
Tax expense for the period reported in the condensed consolidated statement of profit or loss	1,091,609	-