

**Trolley General Trading Company K.S.C.C. and its subsidiaries
State of Kuwait**

Consolidated financial statements and independent auditor's report

For the year ended 31 December 2024

Trolley General Trading Company K.S.C.C. and its subsidiaries
State of Kuwait

Consolidated financial statements and independent auditor's report
For the year ended 31 December 2024

Contents	Page
Independent auditor's report	1 - 3
Consolidated statement of financial position	4
Consolidated statement of income	5
Consolidated statement of other comprehensive income	6
Consolidated statement of changes in equity	7
Consolidated statement of cash flows	8
Notes to the consolidated financial statements	9-35



Independent auditor's report to the shareholders of Trolley General Trading Company K.S.C.C. and its subsidiaries

Report on the audit of the financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Trolley General Trading Company K.S.C.C. and its subsidiaries (together referred to as "the group") as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

The group's consolidated financial statements comprise:

- The consolidated statement of financial position as at 31 December 2024;
- The consolidated statement of income for the year then ended;
- The consolidated statement of other comprehensive income for the year then ended;
- The consolidated statement of changes in equity for the year then ended;
- The consolidated statement of cash flows for the year then ended; and
- The notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of these consolidated financial statements in the State of Kuwait. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Other information

The directors are responsible for the other information. The other information comprises the report of the Board of Directors (but does not include the consolidated financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will 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 identified above 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 on the other information that we obtained prior to the date of this auditor's report, 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.



Independent auditor's report to the shareholders of Trolley General Trading Company K.S.C.C. and its subsidiaries. (continued)

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards and the Companies' Law no. 1 of 2016 and its executive regulations, 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.

Those charged with governance are responsible for overseeing the group's financial reporting process.

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

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism 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.



Independent auditor's report to the shareholders of Trolley General Trading Company K.S.C.C. and its subsidiaries. (continued)


Auditor's responsibilities for the audit of the consolidated financial statements (Continued)

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

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

Report on other legal and regulatory requirements

Furthermore, in our opinion, proper books of accounts have been kept by the parent company and the consolidated financial statements, together with the contents of the report of the Board of Directors relating to these consolidated financial statements, are in accordance therewith. We further report that we obtained all information and explanations that we required for the purpose of our audit and that the consolidated financial statements incorporate all information that is required by the Companies Law no. 1 of 2016, its executive regulations and by the parent company's articles of incorporation, that an inventory count was duly carried out, and that to the best of our knowledge and belief, no violations of the Companies Law no. 1 of 2016, its executive regulations nor of the parent company's articles of incorporation have occurred during the year ended 31 December 2024 that might have had a material effect on the business of the group or on its consolidated financial position.



Khalid Ebrahim Al-Shatti
License No. 175
PricewaterhouseCoopers (Al-Shatti & Co.)

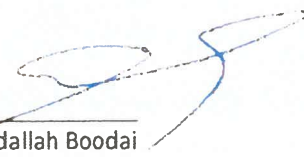
13 May 2025
Kuwait

Trolley General Trading Company K.S.C.C. and its subsidiaries
State of Kuwait

Consolidated statement of financial position
(All amounts in Kuwaiti Dinars unless otherwise stated)

	Note	As at 31 December	
		2024	2023 (Restated)*
Assets			
Non-current assets			
Property and equipment	5	6,952,194	5,055,911
Intangible assets	6	2,249,938	2,285,779
Goodwill	7	923,408	923,408
Right-of-use assets	8	16,642,582	15,621,528
		<u>26,768,122</u>	<u>23,886,626</u>
Current assets			
Inventories	9	8,077,724	6,320,478
Trade and other receivables	10	3,106,403	2,360,134
Due from related parties	15	2,492,477	12,241,758
Cash and cash equivalents	11	17,893,403	2,919,422
		<u>31,570,007</u>	<u>23,841,792</u>
Total assets		<u>58,338,129</u>	<u>47,728,418</u>
Equity			
Share capital	12	2,000,000	2,000,000
Statutory reserve	13	1,877,975	1,877,975
Voluntary reserve	14	1,456,632	1,456,632
Foreign Currency translation reserve		(5,078)	(2,997)
Retained earnings		17,488,476	9,359,874
Net equity		<u>22,818,005</u>	<u>14,691,484</u>
Liabilities			
Non current liabilities			
Employees' end-of-service benefits		505,975	371,939
Lease liabilities	8	11,554,747	12,011,349
		<u>12,060,722</u>	<u>12,383,288</u>
Current liabilities			
Lease liabilities	8	4,766,431	3,455,136
Loans	16	2,337,440	3,928,365
Due to a related party	15	170,647	-
Trade and other payables	17	16,184,884	13,270,145
		<u>23,459,402</u>	<u>20,653,646</u>
Total liabilities		<u>35,520,124</u>	<u>33,036,934</u>
Total equity and liabilities		<u>58,338,129</u>	<u>47,728,418</u>

*Refer to note 25 for details regarding the restatement.


 Faisal Yagoub Abdallah Boodai
 Chairman

The notes on pages 9 to 35 form an integral part of this consolidated financial statements.

AT
P.6

Trolley General Trading Company K.S.C.C. and its subsidiaries
State of Kuwait

Consolidated statement of income

(All amounts in Kuwaiti Dinars unless otherwise stated)

	Note	For the year ended 31 December	
		2024	2023 (Restated)*
Sale of Goods	18	76,836,448	64,860,908
Rental income	18	2,417,435	2,278,087
Other income	19	281,611	298,470
Total income		79,535,494	67,437,465
Cost of goods sold		(52,129,841)	(43,459,370)
Commission expenses		(602,542)	(527,995)
Staff costs		(6,273,809)	(5,066,002)
Depreciation and amortization	5,6,&8	(6,720,862)	(5,478,267)
Marketing expenses		(616,054)	(556,465)
Property service contracts		(1,447,717)	(1,420,956)
Operating Supplies		(431,107)	(435,127)
Subscriptions		(271,578)	(424,149)
Finance costs		(923,362)	(874,261)
Other expenses	20	(1,979,411)	(1,638,894)
Total expenses		(71,396,283)	(59,881,486)
Profit for the year before contribution to Kuwait			
Foundation for Advancement of Sciences ("KFAS") and			
Zakat		8,139,211	7,555,979
KFAS		(5,011)	-
Zakat		(5,598)	-
Profit for the year		8,128,602	7,555,979
Basic and diluted earnings per share (fils)	21	406	378

*Refer to note 25 for details regarding the restatement.

Trolley General Trading Company K.S.C.C. and its subsidiaries
State of Kuwait

Consolidated statement of other comprehensive income
(All amounts in Kuwaiti Dinars unless otherwise stated)

	Note	For the year ended 31 December	
		2024	2023
Net profit for the year		8,128,602	7,555,979
Other comprehensive loss			
Items that are or may be reclassified to <i>consolidated statement of income</i>			
Foreign currency translation differences		(2,081)	(2,970)
Other comprehensive loss for the year		(2,081)	(2,970)
Total comprehensive income for the year		8,126,521	7,553,009

Consolidated statement of changes in equity
(All amounts in Kuwaiti Dinars unless otherwise stated)

	Share capital	Statutory Reserve	Voluntary reserve	Foreign currency translation reserve	Retained earnings	Total
Balance at 1 January 2023	2,000,000	1,877,975	1,456,632	(27)	9,803,895	15,138,475
Total comprehensive income for the year	-	-	-	-	7,555,979	7,555,979
Profit for the year	-	-	-	-	-	-
<i>Other comprehensive loss</i>	-	-	-	(2,970)	-	(2,970)
Foreign currency translation	-	-	-	(2,970)	-	(2,970)
Total other comprehensive loss	-	-	-	(2,970)	7,555,979	7,553,009
Total comprehensive income for the year	-	-	-	-	(8,000,000)	(8,000,000)
Dividends (note 12)	-	-	-	-	-	-
Balance at 31 December 2023	2,000,000	1,877,975	1,456,632	(2,997)	9,359,874	14,691,484
Total comprehensive income for the year	-	-	-	-	8,128,602	8,128,602
Profit for the year	-	-	-	-	-	-
<i>Other comprehensive loss</i>	-	-	-	(2,081)	-	(2,081)
Foreign currency translation	-	-	-	(2,081)	-	(2,081)
Total other comprehensive loss	-	-	-	(2,081)	8,128,602	8,126,521
Total comprehensive income for the year	-	-	-	(5,078)	17,488,476	22,818,005
Balance at 31 December 2024	2,000,000	1,877,975	1,456,632			

Trolley General Trading Company K.S.C.C. and its subsidiaries
State of Kuwait

Consolidated statement of cash flows

(All amounts in Kuwaiti Dinars unless otherwise stated)

	Note	For the year ended 31 December	
		2024	2023 (Restated)*
Cash flows from operating activities:			
Profit for the year before KFAS and Zakat		8,139,211	7,555,979
Adjustments for:			
Depreciation and amortization	5, 6 & 8	6,720,862	5,478,267
Gain on cancellation of right of use assets		(5,161)	(8,460)
Loss on sale and write off of property and equipment		-	2,609
Finance costs		923,362	874,261
Provision for end of service indemnity		166,277	153,307
		<u>15,944,551</u>	<u>14,055,963</u>
Changes in:			
Inventories		(1,757,246)	(1,866,729)
Trade and other receivables		(746,269)	(444,716)
Due from related parties		9,749,281	72,441
Due to a related party		170,647	(148,020)
Trade and other payables		2,904,130	2,268,615
Cash generated from operating activities		<u>26,265,094</u>	<u>13,937,554</u>
Provision for end of service indemnity paid		(37,317)	(32,321)
Net cash generated from operating activities		<u>26,227,777</u>	<u>13,905,233</u>
Cash flows from investing activities:			
Acquisition of property and equipment	5	(2,976,435)	(3,176,310)
Acquisition of intangible assets	6	(335,865)	(141,456)
Right-of-use assets (key money) – additions		(42,000)	(55,000)
Net cash used in investing activities		<u>(3,354,300)</u>	<u>(3,372,766)</u>
Cash flows from financing activities:			
Payment of lease liabilities- principal	8	(5,385,185)	(4,294,863)
Payment of lease liabilities- interest	8	(774,821)	(711,276)
Proceeds from new loan	16	4,829,263	3,074,750
Repayments of loan	16	(6,420,188)	(1,602,385)
Dividend paid	12	-	(8,000,000)
Finance costs paid		(148,541)	(162,985)
Net cash used in financing activities		<u>(7,899,472)</u>	<u>(11,696,759)</u>
Net increase / (decrease) in cash and cash equivalents		<u>14,974,005</u>	<u>(1,164,292)</u>
Cash and cash equivalents at beginning of the year		2,919,422	4,092,350
Net foreign exchange differences		(24)	(8,636)
Cash and cash equivalents at end of the year	11	<u>17,893,403</u>	<u>2,919,422</u>
Non-cash transactions:			
Right-of-use assets – additions	8	(6,456,467)	(6,096,975)
Lease liabilities – additions	8	6,456,467	6,096,975
Right-of-use assets – cancellation	8	214,550	717,052
Lease liabilities – cancellation	8	(219,711)	(725,512)
Due from related parties		-	209,454
Employees' end-of-service benefits		-	(209,454)

*Refer to note 25 for details regarding the restatement.

The notes on pages 9 to 35 form an integral part of this consolidated financial statements.

**Trolley General Trading Company K.S.C.C. and its subsidiaries
State of Kuwait**

Notes to the consolidated financial statements

(All amounts in Kuwaiti Dinars unless otherwise stated)

1 GENERAL INFORMATION

Trolley General Trading Company K.S.C.C. ("the Parent Company" or "the Company") is a Kuwaiti Shareholding Company Closed incorporated in the State of Kuwait on 9 December 2010 under commercial registration number 336964, dated 9 December 2010.

The consolidated financial statements comprise of the Parent Company and its subsidiaries (together referred to as "the Group"). The Parent Company is owned 83% by Yaqoub Abdullah Boodai Holding Company W.L.L. Yaqoub Abdullah Boodai Holding Company W.L.L. is jointly controlled by Mohammad Boodai and Faisal Boodai who each own 28% of Yaqoub Abdullah Boodai Holding Company W.L.L..

On 25 December 2024, the change of the Parent Company's legal form became effective pursuant to an amendment on its commercial register no. 41525. On 4 December 2024, an amended articles of association were issued reflecting the change (note 12).

The Group's registered office is located at KBT Tower, Khalid Bin Waleed Street, Sharq, State of Kuwait.

The Group is engaged in general trading, supermarkets and grocery business.

Subsequent to the period, and on 13 January 2025, the company have registered the following activities to their commercial register:

- Communication devices and their accessories
- Investing financial surpluses in financial portfolios managed by specialized companies and entities
- Buying and selling shares and bonds for the company's account
- Owning real estate and movable assets for the benefit of the company
- Juices and refreshments
- Wholesale of gifts and accessories

The total number of stores of the Group as at 31 December 2024 was 196 (2023: 136). The total number of employees of the Group as at 31 December 2024 was 1210 (2023: 967).

These consolidated financial statements were approved by the members of the Board of Directors on 27 March 2025 and are subject to the approval of the Annual General Assembly meeting.

The Group is operating under the brand "Trolley" and "BAQALA" and is engaged in grocery business with multiple outlets within State of Kuwait and the Kingdom of Saudi Arabia.

A list of significant directly owned subsidiaries are as follows:

Name of entities:	Country of incorporation	Percentage of legal ownership		Principal activities
		2024	2023	
Bodega Grocery Company W.L.L.*	Kuwait	99%	99%	Grocery business
Arabanh General Trading Company S.P.C.	Kingdom of Saudi Arabia	100%	100%	Grocery business

* Equity interest equivalent to 1% is waived by the partner, Faisal Yaqoub Abdullah Boodai, to the Parent Company in accordance with a nominee agreement dated 31 December 2024 and renewed annually. The Group has accounted for the subsidiary as a wholly owned subsidiary, and no non-controlling interest has been recognized in the consolidated financial statements.

Notes to the consolidated financial statements

(All amounts in Kuwaiti Dinars unless otherwise stated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

Material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

2.1 Basis of preparation

(i) Compliance with IFRS Accounting Standards

The financial statements have been prepared in accordance with IFRS Accounting Standards and the Companies' Law no. 1 of 2016 and its executive regulations. IFRS Accounting Standards comprise the following authoritative literature:

- IFRS Accounting Standards
- IAS Standards
- Interpretations developed by the IFRS Interpretations Committee (IFRIC Interpretations) or its predecessor body, the Standing Interpretations Committee (SIC Interpretations).

The consolidated financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

2.1.1 Changes in accounting policies and disclosures

(a) New and amended standards adopted by the Group

The Group has applied the following amendments for the first time for their annual reporting period commencing 1 January 2024:

- Classification of liabilities as current or non-current and non-current liabilities with covenants – Amendments to IAS 1;
- Lease liability in sale and leaseback – Amendments to IFRS 16; and
- Supplier finance arrangements – Amendments to IAS 7 and IFRS 7

The amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

(b) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2024 and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Group.

2.2 Basis of consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date when control ceases.

Notes to the consolidated financial statements

(All amounts in Kuwaiti Dinars unless otherwise stated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Basis of consolidation (Continued)

Subsidiaries (Continued)

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated, unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.3 Foreign currencies translation

(a) Functional and presentation currency

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the group operates ("the functional currency"). The consolidated financial statements are presented in Kuwaiti Dinars (KD) which is the Company's functional currency and presentation currency of the Group.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of income.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statement of income, within finance costs.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(c) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet,
- income and expenses for each statement of income and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

Notes to the consolidated financial statements
(All amounts in Kuwaiti Dinars unless otherwise stated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Property and equipment

Property and equipment is stated at historical cost less depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated statement of income during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Motor vehicle	5 years
Furniture, fixtures and decorations	5 years
Office equipment	5 years
Other equipment	5 years
Building improvements	10 years

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at least at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals (if any) are determined by comparing the proceeds with the carrying amounts and are recognised in the consolidated statement of income.

2.5 Intangible assets

Intangible assets are computer software, trademarks, and licenses that are initially recognized at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

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 the end of each reporting period.

Amortisation is calculated using the straight-line method to allocate the cost of intangible assets over their estimated useful lives of 10 years.

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 income.

2.6 Leases

The Group leases its offices, stores and warehouses from different lessors. Rental contract is made for a fixed period of 1 to 3 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Notes to the consolidated financial statements
(All amounts in Kuwaiti Dinars unless otherwise stated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.6 Leases (Continued)

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

To determine the incremental borrowing rate, the group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by group companies, which does not have recent third-party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to consolidated statement of income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. Payments associated with short-term leases of office and warehouse and all leases of low-value assets are recognised on a straight-line basis as an expense in consolidated statement of income. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

Where lease concessions are granted and there is no change in the scope of the lease and no substantive change to other terms and conditions, the Group accounts for such concessions in accordance with IFRS 16 – Leases.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.7 Goodwill

Goodwill arising on the acquisition of a subsidiary is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the consideration transferred over the net fair value of the identifiable net assets recognised.

If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable net assets exceeds the consideration transferred, the excess is recognised immediately in the consolidated statement of income as a bargain purchase gain.

Any goodwill that arises is tested annually for impairment. Any impairment charge or reversal is recognised in the consolidated statement of income.

2.8 Inventories

Inventories are stated at the lower of cost and net realisable value, after providing for obsolete and slow-moving inventory items. Cost is determined using the weighted average cost method. The cost of finished goods includes the purchase price, direct labour and other direct costs. It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.9 Impairment of non-financial assets

Goodwill that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Notes to the consolidated financial statements
(All amounts in Kuwaiti Dinars unless otherwise stated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.10 Financial assets

2.10.1 Classification

The group classifies its financial assets as those to be measured at amortised cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. The group reclassifies debt investments when and only when its business model for managing those assets changes. They are included in current assets, except for maturities greater than 12 months after the statement of financial position date, which are classified as non-current assets.

2.10.2 Recognition and derecognition

Regular purchases and sales of financial assets are recognised on the trade date, the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership.

2.10.3 Measurement

At initial recognition, the group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Debt instruments:

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. There is one measurement category into which the group classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in the consolidated statement of income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in the consolidated statement of income. Impairment losses are presented in the consolidated statement of income. Financial assets at amortised cost comprise of "trade and other receivables", "amount due from a related party" and "Cash and cash equivalents".

Trade and other receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, in which case they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method, less loss allowance.

Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, demand deposits held with financial institutions with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value

2.10.4 Impairment of financial assets

The group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. (Note 3.1. (b) (iii)).

Notes to the consolidated financial statements

(All amounts in Kuwaiti Dinars unless otherwise stated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.11 Employees' end of service benefits

The group is liable under Kuwaiti Labour Law, to make payments to the employees for post-employment benefits through defined benefits plan. Such payment is made on a lump sum basis at the end of an employee's service. This liability is unfunded and is computed as the amount payable as a result of involuntary termination of the group's employees on the reporting date. The group expects this method to produce a reliable approximation of the present value of this obligation. With respect to its national employees, the group makes contributions to Public Authority for Social Security calculated as a percentage of the employees' salaries. The group's obligations are limited to these contributions, which are expensed when due.

2.12 Financial liabilities

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the group. All financial liabilities are initially recognised at fair value less directly attributable transaction costs. After initial recognition the financial liabilities are subsequently measured at amortised cost using the effective interest method. The group's financial liabilities consist of "loans", "amount due to a related party", "trade and other payables" and "lease liabilities". The group derecognises financial liabilities when, and only when, the group's obligations are discharged, cancelled or they have expired.

(a) Loans

Loans are recognised initially at fair value, net of transaction costs incurred. Loans are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of income over the period of the loan using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

(b) Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are classified as non-current liabilities.

2.13 Provisions

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Notes to the consolidated financial statements

(All amounts in Kuwaiti Dinars unless otherwise stated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.13 Provisions (Continued)

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as expenses.

2.14 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

2.15 Revenue recognition

(i) Sale of goods

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns and allowance, net of trade discounts and volume rebates. Revenue is recognised at a point in time when the performance obligations of the sale have been fulfilled and control of the goods has transferred to the customers.

Additionally, this is in accordance with the guidance of applicable financial reporting framework addressing reporting revenue on a gross basis as a principal versus on a net basis as an agent. Revenue from sale of goods is recorded on a gross basis since the Group controls the goods before they are transferred to the customers and also bear the primary responsibility of providing specified goods along with the risk of inventory since the Group is liable for damages of inventory in its possession before sale to the end customer as a parent.

(ii) Rental income

Rental income from shelves is recognised as revenue on a straight-line basis over the term of the sub lease.

2.16 Finance costs

Finance costs is calculated using the effective interest rate method and is recognised in the consolidated statement of income in the year in which they are s incurred.

2.17 NLST, KFAS and Zakat

Contribution to Kuwait Foundation for the Advancement of Sciences (KFAS) and Zakat represent levies / taxes imposed on the Group at the flat percentage of net profits less permitted deductions under the prevalent respective fiscal regulations of the State of Kuwait. Under prevalent taxation / levy regulations no carry forward of losses is permitted and there are no significant differences between the tax / levy bases of assets and liabilities and their carrying amount for financial reporting purposes.

Tax / statutory levy	Rate
Contribution to KFAS	1.0% of net profit less permitted deductions
Zakat	1.0% of net profit less permitted deductions

**Trolley General Trading Company K.S.C.C. and its subsidiaries
State of Kuwait**

Notes to the consolidated financial statements
(All amounts in Kuwaiti Dinars unless otherwise stated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.18 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of the group has appointed a strategic steering committee which assesses the financial performance and position of the group and makes strategic decisions. The steering committee is the group's chief operating decision maker and consists of the chief executive officer, the chief financial officer and the manager for corporate planning.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The group's activities expose it to a variety of financial risks: market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance. Risk management is carried out by the group's finance department as approved by the group's shareholders .

(a) Market risk

Market risk is the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market prices. Market risk comprises of, foreign currency risk, equity price risk and interest rate risk.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates that affects the Group's cash flows or the valuation of the monetary assets and liabilities denominated in foreign currency. The Group is exposed to foreign currency risks resulting mainly from the Group's dealings in financial assets denominated in foreign currencies. The Group has set policies for the management of foreign exchange risk which require each company in the Group to manage the foreign risk against its currency of operation. The Group tracks and manages these risks by:

- Monitoring the changes in foreign currency exchange rates on regular basis.
- Set up tide limits for dealing in foreign currencies for the basic objectives of the Group's activities.

The Group has assessed its exposure to foreign currency risk and determined that it is immaterial due to insignificant exposure.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates. Interest rate risk arises from the possibility that changes in interest rates will affect future profitability or the fair values of financial instruments.

The group is exposed to interest rate risk with respect to its term deposits and term loans.

If interest rates had been 1% higher/lower with all other variables held constant, results for the year and equity would not have been significantly changed.

Trolley General Trading Company K.S.C.C. and its subsidiaries
State of Kuwait

Notes to the consolidated financial statements
(All amounts in Kuwaiti Dinars unless otherwise stated)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk

(i) Risk management

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the group's financial assets.

Credit risk arises from bank balances and amount due from a related party as well as credit exposures to customers, including outstanding receivables.

For banks and financial institutions, only independently highly rated parties are accepted.

Since there is no independent rating for customers, management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by management.

A significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

A default on a financial asset is when the counterparty fails to make contractual payments within 30 days of when they fall due.

(ii) Security

It is not the practice of the group to obtain security in the form of guarantees, deeds of undertaking or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement.

The group seeks to limit its credit risk with respect to receivables by setting credit limits for customers and monitoring outstanding receivables before standard payment and delivery terms and conditions are offered. Normal credit terms for customers are up to three months.

(iii) Impairment of financial assets

The group has established a provision matrix that is based on the group's historical credit loss experience and further adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group.

The carrying amount of financial assets represents the maximum credit exposure. The maximum net exposure to credit risk by class of assets at the reporting date is as follows:

	As at 31 December	
	2024	2023
Cash at banks and term deposits	17,457,368	2,391,354
Trade and other receivables (excluding advances and prepayments)	1,771,092	1,412,554
Due from related parties	2,492,477	12,241,758
	21,720,937	16,045,666

Trolley General Trading Company K.S.C.C. and its subsidiaries
State of Kuwait

Notes to the consolidated financial statements
(All amounts in Kuwaiti Dinars unless otherwise stated)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(iii) Impairment of financial assets (Continued)

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition. The trade receivables are current as at the reporting date. Based on the Group's assessment of historical loss rates adjusted for forward-looking information, the expected credit loss (ECL) is considered immaterial. Accordingly, no allowance for ECL has been recognized. The Group has identified GDP to be the most relevant factors and accordingly adjusts the historical loss rates based on expected changes in this factor.

For cash at banks and term deposits which are deposited in only independently highly rated financial institutions and the due from related parties balances which are primarily represent receivables from a key shareholder and based on the Group's assessment of historical loss rates adjusted for forward-looking information, the expected credit loss (ECL) on cash at bank, due from related parties and other receivables is considered immaterial.

Bank balances

The Group manages credit risk from balances with banks and other financial institutions by investing surplus funds only with approved and reputable counterparties. The table below presents an analysis of cash at banks and term deposits by rating agency designation at the end of reporting period based on Moody's ratings or its equivalent for the main banking relationships:

Exposure to credit risk by classifying financial assets according to international credit rating agencies

	A3 KD	Baa3 KD	Ba3 KD	Not rated KD	Total
31 December 2024					
Term deposits	-	-	15,000,000	-	15,000,000
Cash at banks	2,420,702	18,239	18,373	54	2,457,368
	<u>2,420,702</u>	<u>18,239</u>	<u>15,018,373</u>	<u>54</u>	<u>17,457,368</u>
	A3 KD	Baa3 KD	Ba3 KD	Not rated KD	Total
31 December 2023					
Cash at banks	2,365,699	16,408	9,247	-	2,391,354
	<u>2,365,699</u>	<u>16,408</u>	<u>9,247</u>	<u>-</u>	<u>2,391,354</u>

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the group aims to maintain the support from the shareholders and related parties.

Trolley General Trading Company K.S.C.C. and its subsidiaries
State of Kuwait

Notes to the consolidated financial statements

(All amounts in Kuwaiti Dinars unless otherwise stated)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

The table below analyses the group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the below tables are the contractual undiscounted cash flows. Undiscounted cash flows in respect of balances due within 12 months generally equal their carrying amounts in the statement of financial position.

2024	Carrying value	One year or less	One to five years	Total
Financial liabilities				
Lease liabilities	16,321,178	12,499,660	5,601,631	18,101,291
Loans	2,337,440	2,442,625	-	2,442,625
Trade and other payables	15,659,970	15,659,970	-	15,659,970
	34,318,588	30,602,255	5,601,631	36,203,886
2023	Carrying value	One year or less	One to five years	Total
Financial liabilities				
Lease liabilities	15,466,485	12,993,602	4,060,564	17,054,166
Loans	3,928,365	4,105,141	-	4,105,141
Trade and other payables	12,542,141	12,542,141	-	12,542,141
	31,936,991	29,640,884	4,060,564	33,701,448

3.2 Capital risk management

The group's objectives when managing capital is to safeguard its ability to continue as a going concern in order to provide returns and benefits for the shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the group may adjust the amount of distributions to shareholders, increase capital or sell assets to reduce debt.

Consistent with others in the industry, the shareholders monitor capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by equity. Net debt is calculated as loans (which includes term loan, tawarruq payable, and murabaha payable) less bank balances and cash.

	As at 31 December	
	2024	2023
Loans	2,337,440	3,928,365
Lease Liability	16,321,178	15,466,485
Cash and cash equivalents	(17,893,403)	(2,919,422)
Net debt	765,215	16,475,428
Equity	22,818,005	14,691,484
Gearing ratio	3%	112%

Trolley General Trading Company K.S.C.C. and its subsidiaries
State of Kuwait

Notes to the consolidated financial statements

(All amounts in Kuwaiti Dinars unless otherwise stated)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimate

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk. As at 31 December 2024 and 2023 the carrying value of financial assets and liabilities approximate their fair values due to their short term nature.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Critical judgment in determining lease terms and treatment of amounts paid for obtaining a lease ("key money")

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of warehouses and retail stores the following factors are normally the most relevant:

- (i) If there are significant penalty payments to terminate (or not extend), the group is typically reasonably certain to extend (or not terminate).
- (ii) If any leasehold improvements are expected to have a significant remaining value, the group is typically reasonably certain to extend (or not terminate).
- (iii) Otherwise, the group considers other factors, including historical lease durations and the costs and business disruption required to replace the leased asset.

As at 31 December 2024, potential future cash outflows of KD 13,532,607 (undiscounted) have not been included in the lease liability, because it is not reasonably certain that the leases will be extended (or not terminated) (2023: KD 15,797,899).

The lease term is reassessed if an option is actually exercised (or not exercised) or the group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

Amounts paid for the acquisition of the right-of-use asset (key money) is treated as part of the respective right of use asset. Management has determined that key money is paid solely for the acquisition of the right-of-use asset to which it relates. In the management's judgement, key money paid is an initial direct cost incurred to obtain a lease and should therefore be recorded as part of the right of use asset.

(b) Goodwill

The recoverable amount of the cash-generating units (CGUs) was determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Please refer to Note 7 for the key assumptions and estimates used in the determination of the recoverable value of goodwill.

Trolley General Trading Company K.S.C.C. and its subsidiaries
State of Kuwait

Notes to the consolidated financial statements
(All amounts in Kuwaiti Dinars unless otherwise stated)

5 PROPERTY AND EQUIPMENT

	Motor vehicle	Furniture, fixtures, and decorations	Office equipment	Other equipment	Building improvements	Work in progress	Total
As at 1 January 2023							
Cost	151,350	3,686,349	90,188	644,722	-	360,708	4,933,317
Accumulated depreciation	(76,504)	(1,871,592)	(72,581)	(299,562)	-	-	(2,320,239)
	74,846	1,814,757	17,607	345,160	-	360,708	2,613,078
Year ended 31 December 2023							
Opening net book amount	74,846	1,814,757	17,607	345,160	-	360,708	2,613,078
Additions	134,335	442,616	1,363	791,938	1,535,018	271,040	3,176,310
Write offs	-	(90,581)	-	-	-	(571,079)	(90,581)
Transfers	-	-	-	64,956	506,123	-	-
Reclassification - cost	-	(2,068,087)	-	2,068,087	-	-	-
Disposals	(885)	-	-	(100)	-	-	(985)
Effect of foreign currency translation - cost	86	211	1	1,917	2,597	527	5,339
Depreciation charge	(30,416)	(243,475)	(8,838)	(192,345)	(260,751)	-	(735,825)
Relating to write offs	-	88,448	-	-	-	-	88,448
Reclassification - accumulated depreciation	-	816,102	-	-	(816,102)	-	-
Relating to disposals	414	-	-	95	-	-	509
Effect of foreign currency translation - accumulated depreciation	(8)	(12)	(1)	(206)	(155)	-	(382)
Closing net book amount	178,372	759,979	10,132	1,011,415	3,034,817	61,196	5,055,911
As at 31 December 2023							
Cost	284,886	1,970,508	91,552	1,503,433	4,111,825	61,196	8,023,400
Accumulated depreciation	(106,514)	(1,210,529)	(81,420)	(492,018)	(1,077,008)	-	(2,967,489)
	178,372	759,979	10,132	1,011,415	3,034,817	61,196	5,055,911
Year ended 31 December 2024							
Opening net book amount	178,372	759,979	10,132	1,011,415	3,034,817	61,196	5,055,911
Additions	64,481	434,186	673	1,001,622	1,078,047	397,426	2,976,435
Transfers	-	-	-	60,398	118,639	(179,037)	-
Reclassification - cost	-	-	(213)	213	-	-	-
Effect of foreign currency translation - cost	33	103	-	1,320	1,458	77	2,991
Depreciation charge	(47,220)	(259,885)	(6,153)	(379,694)	(389,802)	-	(1,082,754)
Reclassification - accumulated depreciation	-	-	18	(18)	-	-	-
Effect of foreign currency translation - accumulated depreciation	(6)	(11)	-	(234)	(138)	-	(389)
Closing net book amount	195,660	934,372	4,457	1,695,022	3,843,021	279,662	6,952,194
As at 31 December 2024							
Cost	349,400	2,404,797	92,012	2,566,986	5,309,969	279,662	11,002,826
Accumulated depreciation	(153,740)	(1,470,425)	(87,555)	(871,964)	(1,466,948)	-	(4,050,632)
	195,660	934,372	4,457	1,695,022	3,843,021	279,662	6,952,194

Notes to the consolidated financial statements
(All amounts in Kuwaiti Dinars unless otherwise stated)

6 INTANGIBLE ASSET

	Computer software	Brand name	Licenses	Trade name	Total
As at 1 January 2023					
Cost	1,426,328	1,277,713	350,659	95,448	3,150,148
Accumulated amortization	(222,912)	(425,904)	-	(9,247)	(658,063)
	1,203,416	851,809	350,659	86,201	2,492,085
Year ended 31 December 2023					
Opening net book amount	1,203,416	851,809	350,659	86,201	2,492,085
Additions	134,087	-	7,369	-	141,456
Effect of foreign currency translation - cost	150	-	-	451	601
Amortization	(146,190)	(127,772)	(65,127)	(9,195)	(348,284)
Effect of foreign currency translation - amortisation	(9)	-	-	(70)	(79)
Closing net book amount	1,191,454	724,037	292,901	77,387	2,285,779
As at 31 December 2023					
Cost	1,560,565	1,277,713	358,028	95,899	3,292,205
Accumulated amortization	(369,111)	(553,676)	(65,127)	(18,512)	(1,006,426)
	1,191,454	724,037	292,901	77,387	2,285,779
Year ended 31 December 2024					
Opening net book amount	1,191,454	724,037	292,901	77,387	2,285,779
Additions	335,865	-	-	-	335,865
Effect of foreign currency translation - cost	170	-	-	102	272
Amortization	(169,146)	(127,771)	(65,803)	(9,223)	(371,943)
Effect of foreign currency translation - amortisation	(10)	-	-	(25)	(35)
Closing net book amount	1,358,333	596,266	227,098	68,241	2,249,938
As at 31 December 2024					
Cost	1,896,600	1,277,713	358,028	96,001	3,628,342
Accumulated amortization	(538,267)	(681,447)	(130,930)	(27,760)	(1,378,404)
	1,358,333	596,266	227,098	68,241	2,249,938

Notes to the consolidated financial statements
(All amounts in Kuwaiti Dinars unless otherwise stated)

7 GOODWILL

At the reporting date, the carrying value of the goodwill amounting to KD 923,408 (2023: KD 923,408) pertains to Group's investments in Bodega Grocery Company K.S.C.C. (BAQALA).

A cash-generating unit ("CGU") or group of CGUs, to which goodwill has been allocated is tested for impairment annually, or more frequently if events or circumstances indicate that the carrying amount may not be recoverable. The carrying value of goodwill is assessed by reference to its value in use to perpetuity reflecting the projected cash flows of the CGU, based on the income approach (DCF approach).

These projections are based on the most recent budget approved by the owners covering a five-year period and have been extrapolated using a steady terminal growth rate. Long-term growth rates for periods not covered by the budget reflects the products in which the CGU, operate. Terminal growth rate based on the long-term forecast of 2.44% (2023: 2%) is used to estimate the recoverable amount of this cash generating unit.

The discount rate applied to cash flow projections is 11.37% (2023: 10.36%). The discount rate was estimated based on risk free rate being long term Kuwaiti bond rate, an equity risk premium of 5.9% to compensate for the additional expected return an investor demands to hold equities of average risk over a risk free investment, an unlevered beta of 0.57 applicable to Retail sector, the Group specific risk premium and the expected capital structure of the Group.

The Group has performed a sensitivity analysis by varying these input factors by a reasonably possible margin and assessing whether the change in input factors result in any of the goodwill allocated to appropriate cash generating units being impaired. The estimated recoverable amount of the CGU exceeded its carrying amount by approximately KD 5.7 million (2023: KD 1.85 million) Based on the above analysis, management has not recognised an impairment for the year ended 31 December 2024 (2023: Nil) in relation to goodwill.

8 LEASES

Amounts recognized in the consolidated statement of financial position

	As at 31 December	
	2024	2023 (Restated)
Right-of-use assets		
Buildings	16,642,582	15,621,528

Set out below are the carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the year:

	As at 31 December	
	2024	2023 (Restated)
Balance at 1 January	15,621,528	14,575,360
Additions*	6,498,467	6,151,975
Depreciation	(5,266,165)	(4,394,158)
Cancellation	(214,550)	(717,052)
Effect of foreign currency translation	3,302	5,403
Balance at 31 December	16,642,582	15,621,528

8 LEASES (CONTINUED)

Lease liabilities	As at 31 December	
	2024	2023
Balance at 1 January	15,466,485	14,384,744
Additions*	6,456,467	6,096,975
Finance costs	774,821	711,276
Lease liabilities paid	(6,160,006)	(5,006,139)
Cancellation	(219,711)	(725,512)
Effect of foreign currency translation	3,122	5,141
Balance at 31 December	<u>16,321,178</u>	<u>15,466,485</u>

Additions during the year amounted to KD 6,456,467 (2023: KD 6,096,975) representing the new stores locations rented during the year.

	As at 31 December	
	2024	2023
Non-current liabilities	11,554,747	12,011,349
Current liabilities	4,766,431	3,455,136
	<u>16,321,178</u>	<u>15,466,485</u>

The incremental borrowing rate used for 2024 was 4.75% to 6.5% (2023: 4.75% to 6.5%)

Amounts recognised in consolidated statement of income and consolidated statements of cashflow:

Consolidated statement of income	As at 31 December	
	2024	2023 (Restated)
Depreciation	5,266,165	4,394,158
Interest	774,821	711,276
Gain on cancellation of right-of-use assets	5,161	8,460
Short term leases (Note 20)	33,759	94,041

Consolidated statement of cashflow	As at 31 December	
	2024	2023
Payment of lease liabilities	<u>6,160,006</u>	<u>5,006,139</u>

9 INVENTORIES

	As at 31 December	
	2024	2023
Goods for resale	<u>8,077,724</u>	<u>6,320,478</u>

Notes to the consolidated financial statements
(All amounts in Kuwaiti Dinars unless otherwise stated)

10 TRADE AND OTHER RECEIVABLES

	As at 31 December	
	2024	2023
Trade receivables	496,601	220,323
Refundable deposits	343,277	331,837
Advances to suppliers	1,093,584	521,915
Prepaid expenses	241,727	425,665
Others	931,214	860,394
	3,106,403	2,360,134

11 CASH AND CASH EQUIVALENTS

	As at 31 December	
	2024	2023
Cash on hand	436,035	528,068
Cash at banks	2,457,368	2,391,354
Term deposits	15,000,000	-
	17,893,403	2,919,422

Term deposits, as at 31 December 2024, represent deposits amounting to KD 15,000,000 (31 December 2023: Nil) which were placed with local commercial banks with original maturity period of less than three months and carry market rate of interest.

12 SHARE CAPITAL

The authorized, issued and fully paid up share capital comprises 20,000,000 shares of 100 Fils each in cash (2023: 100 authorized, issued and fully paid up shares of KD 20,000 each).

On 4 December 2024, the Parent Company amended its articles of association, which reflected a change in its legal form. As part of this restructuring, the Parent Company's share capital structure was modified, resulting in an increase in the number of shares from 100 shares with a par value of KD 20,000 per share to 2,000,000 shares with a new par value of 100 fils per share. This adjustment led to a dilution of the par value of each share.

Additionally, as part of the restructuring process, existing shareholders transferred a portion of their shares to new shareholders. This resulted in a redistribution of ownership among shareholders, impacting the Parent Company's ownership structure (note 1). Refer to the capital structure below:

	2024		2023	
	No. of shares	Amount	No. of shares	Amount
Yaqoub Abdullah Boodai Holding Company W.L.L.	16,600,000	1,660,000	85	1,700,000
Meshary Boodai and Partners United Holding Company W.L.L.	2,800,000	280,000	15	300,000
Faisal Yaqoub Abdullah Boodai	200,000	20,000	-	-
Mohammed Yaqoub Abdullah Boodai	200,000	20,000	-	-
Meshary Yaqoub Abdullah Boodai	200,000	20,000	-	-
	20,000,000	2,000,000	100	2,000,000

Dividend

In 2024, the decision was made by the partners of the group to withhold dividend distribution to the shareholders for the year ended 31 December 2023 (2023: KD 80,000 per share amounting to KD 8,000,000 for the year ended 31 December 2022).

Notes to the consolidated financial statements

(All amounts in Kuwaiti Dinars unless otherwise stated)

13 STATUTORY RESERVE

In accordance with the Companies Law No. 1 of 2016 and the Company's Articles of Association, 10% of the profit for the year, is required to be transferred to the statutory reserve until the reserve totals 50% of the paid up share capital. Distribution of this reserve is limited to the amount required to enable the payment of a dividend of 5% of paid up share capital to be made in years when retained earnings are not sufficient for the payment of a dividend of that amount.

No transfer has been made in the current year as the statutory reserve has exceeded 50% of the paid-up share capital.

14 VOLUNTARY RESERVE

As per the Company's Articles of Association, 10% of the net profit for the year is required to be transferred to the voluntary reserve. Such annual transfers can be discontinued by a resolution of Owners in the annual general assembly. There are no restrictions on the distribution of the voluntary reserve.

No transfer has been made in the current year as the Owners discontinued such transfer in their annual general assembly meeting.

15 RELATED PARTIES

Related parties include the board members, directors and key management personnel of the Group, close members of their families and companies of which they are the principal owners or over which they are able to exercise significant influence.

Related party balances reflected in the statement of financial position are unsecured and neither bear any interest nor there are any agreed repayment terms. Accordingly, these balances are treated as recoverable/ payable on demand.

Significant related party balances and transactions other than the one disclosed elsewhere in these financial statements are as follows:

Related party balances	As at 31 December	
	2024	2023
Due from related parties		
Trolley Real Estate Company W.L.L. – entity under common control	6,583	2,196
AE Retail Company W.L.L. – entity under common control	1,015	2,636
Yaqoub Abdullah Boodai Holding Company W.L.L. - ultimate parent	-	10,388,387
Meshary Boodai and Partners United Holding Company - Key Shareholder	2,484,879	1,834,879
Prime Restaurant Management Company W.L.L. – entity under common control	-	13,660
	2,492,477	12,241,758
Due to a related party		
Prime Restaurant Management Company W.L.L. – entity under common control	3,441	-
Yaqoub Abdullah Boodai Holding Company W.L.L. - ultimate parent	167,206	-
	170,647	-

15 RELATED PARTIES (CONTINUED)

As of the reporting date, the Group has outstanding due from related parties balances of KD 2,492,477 (2023: KD 12,241,758), with an expected credit loss of Nil (2023: Nil), based on historical payment patterns

There have been no significant transactions with the related parties during the year ended 31 December 2024 and 31 December 2023, apart from the withdrawals made by the owners of the group, that have been included in amounts due from related parties.

In 2024, The key management personnel compensation costs were allocated to the Ultimate Parent Company, Yaqoub Abdullah Boodai Holding Company W.L.L.

16 LOANS

	As at 31 December	
	2024	2023
Loan 1 – murabaha payable	-	875,961
Loan 2 – tawarruq payable	2,337,440	3,052,404
	2,337,440	3,928,365

The movement in the loans was as follows:

	As at 31 December	
	2024	2023
Opening Balance	3,928,365	2,456,000
Proceeds from new loan	4,680,722	2,911,765
Interest expense	148,541	162,985
Repayment - principal and interest	(6,420,188)	(1,602,385)
Closing balance	2,337,440	3,928,365

In December 2020, the Group secured a short-term loan facility amounting to KD 1,957,956 which was repayable in 6 months through a bullet payment. The Group made a part settlement during the year 2021 and the remaining balance KD 1,472,555 was renewed as a new loan which was repayable on 11 June 2022 through a bullet payment. After making another partial payment of the loan during 2022, the Group renewed the remaining loan facility of KD 956,000 for another 12 months till 11 June 2023. After making another partial payment of the loan during 2023, the Group renewed the remaining loan facility of KD 875,961 for another 12 months till 9 June 2024. The facility has been settled in June 2024.

In May 2023, the Group secured a short-term revolving loan facility of KD 5,000,000 which was repayable within 6 months upon utilization. The outstanding balance as at 31 December 2024 is 2,337,440 (31 December 2023: KD 3,052,404). The agreement is valid for one year and to be renewed for a similar period.

As per the agreement the loans are guaranteed with the personal guarantees of the Owners.

Loans represent tawarruq payable denominated in Kuwaiti Dinars ("KD") obtained from a local bank ("the lender") and carry an effective interest rate of 0.75% plus the Central Bank of Kuwait interest rate (2023: 0.75% plus the Central Bank of Kuwait interest rate) per annum.

The Group has complied with all covenants throughout the reporting period.

17 TRADE AND OTHER PAYABLES

	<u>As at 31 December</u>	
	<u>2024</u>	<u>2023</u>
Trade payables	14,608,334	11,273,371
Accrued expenses	821,535	590,378
Others	755,015	1,406,396
	<u>16,184,884</u>	<u>13,270,145</u>

18 REVENUE

	<u>For the year ended 31 December</u>	
	<u>2024</u>	<u>2023</u>
Revenue from contract with customers		
Sale of goods	76,836,448	64,860,908
Other revenue		
Rental income	2,417,435	2,278,087
	<u>79,253,883</u>	<u>67,138,995</u>

19 OTHER INCOME

	<u>For the year ended 31 December</u>	
	<u>2024</u>	<u>2023</u>
Marketing income	12,542	39,842
Rent concession	61,456	141,704
Others	207,613	116,924
	<u>281,611</u>	<u>298,470</u>

20 Other expenses

	<u>For the year ended 31 December</u>	
	<u>2024</u>	<u>2023</u>
Repairs and maintenance	332,855	293,805
Bank charges	385,327	208,717
Consultancy fees	247,017	159,483
Donations	26,287	107,229
Legal Fees	55,379	70,367
Utilities	119,929	30,737
Insurance fees	56,975	7,858
Travel expenses	46,835	38,066
Rent expenses (Note 8)	33,759	94,041
Others	675,048	628,591
	<u>1,979,411</u>	<u>1,638,894</u>

21 BASIC AND DILUTED EARNING PER SHARE

Basic and diluted earnings per share is calculated based on dividing the profit for the year by the weighted average number of common shares outstanding during the year as follows:

	<u>2024</u>	<u>2023</u>
Profit for the year	8,128,602	7,555,979
Weighted average number of outstanding shares less treasury shares	<u>20,000,000</u>	<u>20,000,000</u>
Basic and diluted earning earnings per share (fils)	<u>406</u>	<u>378</u>

The Parent Company had no outstanding diluted shares.

Comparative basic earnings per share have been calculated using the weighted average number of shares outstanding as of 31 December 2024. For comparative purposes, the basic earnings per share for the year ended 31 December 2023 have been presented based on the number of shares as if the Parent Company had been a shareholding company as of that date. The Parent Company was a Kuwaiti limited liability company as at 31 December 2023, and therefore the number of shares used in calculating earnings per share for that year has been determined retrospectively to ensure comparability.

22 OPERATING SEGMENTS

22.1 Segments information

An operating segment is a component of an entity that engages in business activities from which it earns revenues and incur expenses, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The Group operates principally in the supermarket and grocery business through its strategic business locations in the Kuwait and Saudi Arabia. The primary format for segment reporting is based on geographical locations and is determined on the basis of management's internal reporting structure.

22.2 Operating segment revenues and results

The segments results are reported to the senior executive management of the Group, as well as the revenues and results of the Group's business, assets and liabilities are reported in accordance with the above mentioned segments. The following is the segment analysis which is consistent with the internal reports submitted to the management:

(i) Operating segment revenue

	<u>Total</u>	
	<u>2024</u>	<u>2023</u>
Kuwait	74,053,986	67,092,790
KSA	7,482,665	2,197,460
Total income	<u>81,536,651</u>	<u>69,290,250</u>

Information related to revenue from customers is disclosed in note 18. The Group has no customer who accounts for more than 10% of the Group's revenue.

(ii) Operating segment results – Profit for the year

	<u>Total</u>	
	<u>2024</u>	<u>2023</u>
Kuwait	9,591,105	8,655,665
KSA	(1,462,503)	(1,099,686)
Total	<u>8,128,602</u>	<u>7,555,979</u>

22 OPERATING SEGMENTS (CONTINUED)

22.3 Geographical distribution of assets and liabilities

	2024		
	Kuwait	KSA	Total
Assets	48,494,353	9,843,776	58,338,129
Liabilities	23,053,900	12,466,224	35,520,124

	2023		
	Kuwait	KSA	Total
Assets	42,169,455	5,558,963	47,728,418
Liabilities	26,320,107	6,716,827	33,036,934

	2024		
	Kuwait	KSA	Total
Non-current assets	19,736,781	7,031,341	26,768,122
Non-current liabilities	9,332,679	2,728,043	12,060,722

	2023		
	Kuwait	KSA	Total
Non-current assets	19,765,136	4,121,490	23,886,626
Non-current liabilities	10,744,345	1,638,943	12,383,288

23 BANK GUARANTEES

At 31 December 2024, the Group had bank guarantees issued in its favor by banks in the normal course of business amounting to KD 2,050,316 (2023: KD 2,058,992)

24 EVENTS AFTER THE REPORTING PERIOD

On 5 February 2025, the Parent Company's Board of Directors resolved to change its legal structure from a closed shareholding company to a public shareholding company. This decision was made to enhance the Group's capital base, expand its shareholder base, and enable its shares to be publicly traded on Kuwait Boursa.

As of the date of this report, the necessary regulatory approvals and filings are in progress to comply with applicable laws and regulations governing public shareholding companies. The conversion is expected to be completed by October 2025.

This change in legal structure is considered an event after the reporting period, and the Group will account for the related costs and reclassification of shares in the financial statements for the period in which the conversion is completed.

25 RESTATEMENT OF CERTAIN FINANCIAL STATEMENT LINE ITEMS

Management has re-evaluated its presentation and the accounting treatment of certain transactions and balances recorded in the financial statements in the prior years. Changes have been made if the revised presentation provides reliable and more relevant information to the economic decision-making needs of users of the financial statements and/or if such transactions and balances require correction to be accounted for appropriately under IFRS Accounting Standards. Where necessary, changes in presentation were made in accordance with IAS 1 - Financial Statement Presentation ("IAS 1"), International Financial Reporting Standard 15 – Revenue from contracts with customers (IFRS 15), IFRS 16 – Leases (IFRS 16) and IAS 8 - Accounting policies, changes in accounting estimates and errors ("IAS 8").

Consolidated statement of financial position and consolidated statement of cash flows

Restatement 1 – Corrections of the accounting for amounts paid to obtain a lease

Amounts paid for obtaining a lease (key money) was accounted for as an intangible asset instead of being accounted for as initial direct costs for the acquisition of the lease and included in the initial measurement of the right-of-use asset as required by IFRS 16.

In order to correct the above, the key money asset amounting to KD 560,591 as at 31 December 2023 (KD 597,383 as at 1 January 2023) was reclassified from a separate category of intangible assets to be part of right of use assets and was depreciated over the lease term. This adjustment also affected the statement of cash flows for the year ended 31 Dec 2023 with a reclassification of an amount of KD 55,000 from additions to intangible assets to additions to right of use assets.

Consolidated statement of income

Restatement 2 – Disaggregation of income and presentation of expenses by nature

- The sales of goods financial statement line item in the consolidated statement of income amounting to KD 68,991,780 included revenue from sale of goods of KD 64,860,908 and rental income of KD 4,130,872. Revenue from sales of goods and rental income should be shown separately as required by IAS 1. The presentation of revenue from sale of goods and rental income separately provides reliable and more relevant information to the economic decision-making needs of users of the financial statement. Accordingly, the financial statements have been restated to show revenue from sale of goods and rental income separately.
- The cost of goods sold financial statement line item in the consolidated statement of income amounting to KD 45,840,150 included cost of goods sold of KD 45,312,155 and commission expenses of KD 527,995. Commission expense should not be part of cost of goods sold and should therefore be shown separately as required by IAS 1. The presentation of cost of goods sold and commission expense separately provides reliable and more relevant information to the economic decision-making needs of users of the financial statement. Accordingly, the financial statements have been restated to show cost of goods sold and commission expense separately.
- Previously, the Group adopted a mixed presentation of expenses (by function and nature) in the consolidated statement of income. The presentation has been changed from a mixed presentation of expenses to presentation by nature in accordance with requirements of IAS 1. Given the business of the Group, management believes that presentation of expenses by nature provides reliable and more relevant information to the economic decision-making needs of users of the financial statement. Accordingly, expenses included in the general and administrative expenses line item of KD 3,919,126 have been reallocated based on their nature as required by IAS 1.

25 RESTATEMENT OF CERTAIN FINANCIAL STATEMENT LINE ITEMS (continued)

Consolidated statement of income (continued)

Restatement 3 – Accounting for money received from the supplier

The Group receives some amounts from suppliers to ensure that the supplier's products receive prominent placement on store shelves. The Group recognised these fees received as rental income instead of adjusting the amount received from the cost of inventory as required by International Financial Reporting Standard 15 – Revenue from contracts with customers (IFRS 15). Accordingly, the financial statements have been restated for KD 1,852,785 relating to amounts received from suppliers which was previously recorded as rental income instead of being adjusted against cost of goods sold.

Effect on the statement of financial position

31 December 2023

	31 December 2023 (as previously reported)	Effect of Restatement (1)	31 December 2023 (as restated)
Intangible assets (1)	2,846,370	(560,591)	2,285,779
Right-of-use assets (1)	15,060,937	560,591	15,621,528

1 January 2023

	1 January 2023 (as previously reported)	Effect of Restatement (1)	1 January 2023 (as restated)
Intangible assets	3,089,468	(597,383)	2,492,085
Right-of-use assets	13,977,977	597,383	14,575,360

Effect on the consolidated statement of income for the year ended 31 December 2023

	Year ended 31 December 2023 (as previously reported)	Effect of Restatement (2)	Effect of Restatement (3)	Year ended 31 December 2023 (as restated)
Revenue	68,991,780	(68,991,780)	-	-
Sale of Goods	-	64,860,908	-	64,860,908
Rental income	-	4,130,872	(1,852,785)	2,278,087
Cost of goods sold	(45,840,150)	527,995	1,852,785	(43,459,370)
Commission expenses	-	(527,995)	-	(527,995)
General and administrative expenses	(3,919,126)	3,919,126	-	-
Property service contracts	-	(1,420,956)	-	(1,420,956)
Operating Supplies	-	(435,127)	-	(435,127)
Subscriptions	-	(424,149)	-	(424,149)
Other expenses	-	(1,638,894)	-	(1,638,894)

Notes to the consolidated financial statements

(All amounts in Kuwaiti Dinars unless otherwise stated)

25 RESTATEMENT OF CERTAIN FINANCIAL STATEMENT LINE ITEMS (continued)

Effect on the consolidated statement of cash flows for the year ended 31 December 2023

	Year ended 31 December 2023 (as previously reported)	Effect of Restatement (1)	Year ended 31 December 2023 (as restated)
Cash flows from investing activities			
Acquisition of intangible assets	(196,456)	55,000	(141,456)
Right-of-use assets (key money) – additions	-	(55,000)	(55,000)

The above adjustments had no effect on the consolidated statement of changes in equity. Further, the adjustments had no material effect on the consolidated statement of financial position at the beginning of the preceding period and therefore the consolidated statement of financial position at the beginning of the preceding period has not been presented.