PENTACLE ENGINEERING SERVICES L.L.C
Dubai, U.A.E.

Auditor's Report & Financial Statements
For the year ended 31st March, 2025

PENTACLE ENGINEERING SERVICES L.L.C
Dubai, U.A.E.

Auditor's Report & Financial Statements
For the year ended 31st March, 2025

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INDEPENDENT AUDITOR'S REPORT

(Ref No.- Zenith/2025 – JYN/25621)

The Shareholders,
PENTACLE ENGINEERING SERVICES L.L.C,
Dubai, U.A.E.

Report on the audit of Financial Statements

Opinion

We have audited the accompanying financial statements of **PENTACLE ENGINEERING SERVICES L.L.C** which comprise the Statement of Financial Position as at **31st March, 2025,** and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Cash Flows and Changes in Equity for the year then ended, including a summary of significant accounting policies and other explanatory notes.

In our opinion, the financial statements give a true and fair view of the financial position of **PENTACLE ENGINEERING SERVICES L.L.C** as of **31st March, 2025,** and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards.

Basis of opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in compliance with the company's Memorandum and with the applicable provisions of the U.A.E Federal Law No. (2) of 2015 (as amended), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

(Continued on page 2)

Tel : 04 - 3885518, Fax : 04-3885519, P.O. Box : 242194, Nasir Ahamed Lootah Bldg. Flat # 308, Umm Hurair First Bur Dubai - U.A.E. E-mail : zenithcca@gmail.com, nitendra@zenithcca.com, Website: www.zenithcca.com

(Continued from page 1)

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

Report on other legal and regulatory requirements

- We have obtained all the information and explanation we considered necessary for our audit.
- The financial statements comply, in all material respect with the applicable provisions of the U.A.E Federal Law No. (2) of 2015 (as amended), and the Articles of Association of the Company.
- Based on the information and explanation that has been made available to us nothing came to our attention which causes us to believe that the Company has contravened during the financial year ended **31st March, 2025** any of the applicable provisions of the U.A.E Federal Law No. (2) of 2015 (as amended), or the Articles of Association of the Company which would have a material effect on the Company's activities or on its financial position for the year.

For Husain Al Hashmi
Auditing of Accounts
Dubai, United Arab Emirates
29th September, 2025

Tel : 04 - 3885518, Fax : 04-3885519, P.O. Box : 242194, Nasir Ahamed Lootah Bldg. Flat # 308, Umm Hurair First Bur Dubai - U.A.E. E-mail : zenithcca@gmail.com, nitendra@zenithcca.com, Website: www.zenithcca.com

PENTACLE ENGINEERING SERVICES L.L.C
Dubai, U.A.E

Statement of Financial Position
As at 31st March, 2025

	Notes	2025 AED
Non-Current Assets		
Property, plant and equipment	6	9,019
		9,019
Current Assets		
Trade receivables	7	3,478,650
Cash in hand and at banks	8	1,916,275
Deposits, prepayment and advances	9	6,105,112
		11,500,037
Total Assets		**11,509,056**
Equity and liabilties		
Shareholder's Equity		
Share capital	2	330,000
Legal reserve	12	78,789
Retained earnings	13	1,496,989
Total Shareholder's Equity		**1,905,778**
Non-Current Liabilities		
Long-term Borrowing	10	3,438,643
		3,438,643
Current Liabilities		
Trade and Other Payables	11	6,164,635
		6,164,635
Total Liabilities		**9,603,278**
Total Equity and Liabilities		**11,509,056**

The accompanying notes on pages 7 to 20 form an integral part of these financial statements.
The report of the auditor's is set out on the pages 1 & 2.

For PENTACLE ENGINEERING SERVICES L.L.C

Authorized signatory

PENTACLE ENGINEERING SERVICES L.L.C
Dubai, U.A.E

Statement of profit or loss and other comprehensive Income
For the year ended 31st March, 2025

	Notes	2025 AED
Revenue	14	7,265,522
Cost of revenue	15	-
Gross profit		**7,265,522**
Operating expenses		
General administrative expenses	16	(5,499,643)
Finance cost	17	(68,428)
Depreciation		(765)
		(5,568,836)
Profit before tax		**1,696,686**
Taxation		
Current tax		(120,908)
Profit after tax		**1,575,778**
Other comprehensive income		-
Total Comprehensive Income for the Year		**1,575,778**

The accompanying notes on pages 7 to 20 form an integral part of these financial statements.
The report of the auditor's is set out on the pages 1 & 2.

For PENTACLE ENGINEERING SERVICES L.L.C

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Authorized signatory

Zenith القمة

PENTACLE ENGINEERING SERVICES L.L.C
Dubai, U.A.E

Statement of Cash Flow
For the year ended 31st March, 2025

	2025
	AED
Cash flows from operating activities:	
Profit before tax	1,575,778
Operating cash flows before changes in net operating assets	1,575,778
(Increase)/decrease in current assets	
Trade receivables	(3,478,650)
Deposits, prepayment and advances	(6,105,112)
Increase/(decrease) in current liabilities	
Trade and Other Payables	6,164,635
Net cash generated from operating activities (A)	**(1,843,349)**
Cash flow from financing activities	
Share capital introduced	330,000
Borrowings from shareholder	3,438,643
Net cash generated from financing activities (B)	**3,768,643**
Cash flow from investing activities	
Investment in Fixed Assets	(9,019)
Net cash generated from investing activities (C)	**(9,019)**
Net Increase/(decrease) in cash and cash equivalents (A+B+C)	1,916,275
Cash and cash equivalents, beginning of the year	-
Cash and cash equivalents, end of the year	**1,916,275**

The accompanying notes on pages 7 to 20 form an integral part of these financial statements.
The report of the auditor's is set out on the pages 1 & 2.

For PENTACLE ENGINEERING SERVICES L.L.C

Authorized signatory

Zenith القمة

PENTACLE ENGINEERING SERVICES L.L.C
Dubai, U.A.E

Statement of Changes in Equity
For the year ended 31st March, 2025

	Share capital	Legal reserve	Retained earnings	Total
Balance as at 24th June, 2024	330,000	-	-	330,000
Net profit for the year	-	-	1,575,778	1,575,778
Additions during the year		78,789		78,789
Transfer to legal reserves	-	-	(78,789)	(78,789)
Net movement during the year	-	-	-	-
As at 31st March, 2025	**330,000**	**78,789**	**1,496,989**	**1,905,778**

The accompanying notes on pages 7 to 20 form an integral part of these financial statements.
The report of the auditor's is set out on the pages 1 & 2.

For PENTACLE ENGINEERING SERVICES L.L.C

Authorized signatory

1 Legal status and activities

1.1 **PENTACLE ENGINEERING SERVICES L.L.C** was registered in Dubai on 24th June, 2024 as a Limited Liability Company under rules and regulation of U.A.E. Federal Company Law with commercial license no. 1377565 issued by Dubai Economy and Tourism, Government of Dubai. The registered address of the company is Plot No 176, P1/BLOCK I, Saih Shuaib 2, Dubai Industrial City, Dubai.

1.2 The company is controlled and managed by Mr. Mahendra Pundalik More, an Indian National.

1.3 The company is primarily engaged in the business of Architectural Prospective Drawings Services, Products Design Services, Building Maquette & Model Makers, Geographical Maps Drawing and Buildings Energy Efficiency Services.

2 Shareholding

2.1 The shareholding of the company is as follows:

Name	Nationality	No. of shares	Value per share (AED)	Total	%
1. M/s. Pentacle Consultants (I) Pvt Ltd.	India	330	1,000	330,000	100
		330		**330,000**	**100**

2.2 The authorized and paid up share capital of the company is AED 330,000/- divided into 330 shares of AED 1,000/- each.

3 Adoption of New and Revised International Financial Reporting Standards (IFRS) & Interpretations

i) Standards and Interpretations effective in the current year

The following standards and amendments apply for the first time to the financial reporting periods commencing on or after January 01, 2024.

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

ii) New & Revised IFRS in issue but not effective or early adopted

The following standards and interpretations had been issued but not yet mandatory for annual reporting periods ending December 31, 2024. Management anticipates that these new standards, interpretations, and amendments will be adopted in the financial statements as and when they are applicable and adoption of these new standards, interpretations, and amendments, may have no material impact on the financial statements in the period of initial application.

3 Adoption of New and Revised International Financial Reporting Standards (IFRS) & Interpretations

Particulars	**Effective for Annual periods beginning from**
Lack of Exchangeability – Amendments to IAS 21	January 01, 2025
Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	January 01, 2026
Annual Improvements to IFRS Accounting Standards – Volume 11	January 01, 2026
IFRS 18 Presentation and Disclosure in Financial Statements	January 01, 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	January 01, 2027

4 Summary of Significant Accounting Policies

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

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), interpretations issued by International Financial Reporting Interpretations Committee (IFRIC), and applicable requirements of the U.A.E. Law.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed.

Management believes that the underlying assumptions are appropriate and that the company's financial statements therefore fairly present the financial position and results.

There are no areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements.

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board (IASB).

Going concern

When preparing the financial statements, management makes an assessment of the company's ability to continue as a going concern. Financial statements are prepared on a going concern basis unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Accounting convention

These financial statements have been prepared under the historical cost convention. The fair / net realizable value concept of measurement of assets and liabilities has also been applied wherever applicable under IFRSs.

Functional and presentation currency

Items included in the financial statements of the company are measured using the currency in which the majority of its transactions are denominated ("the functional currency"). The financial statements are presented in United Arab Emirates Dirhams ("AED"), which is the company's functional and presentation currency.

4 Summary of Significant Accounting Policies (Continued)

Revenue recognition

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Revenue from Contracts with Customers

IFRS 15 *"Revenue from contracts with customers"* replaces IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts.

The new standard is based on the principle that revenue is recognized when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards.

A new five-step process must be applied before revenue can be recognized: i) Identify contracts with customers: ii) Identify the separate performance obligation: iii) Determine the transaction price of the contract: iv) Allocate the transaction price to each of the separate performance obligations, and v) Recognize the revenue as each performance obligation is satisfied.

Key changes to current practice are:

Any bundled goods or services that are distinct must be separately recognized, and any discounts or rebates on the contract price must generally be allocated to the separate elements.

Revenue may be recognized earlier than under current standards if the consideration varies for any reasons (such as for incentives, rebates, performance fees, royalties, success of an outcome etc.) – minimum amounts must be recognized if they are not at significant risk of reversal.

The point at which revenue is able to be recognized may shift: some revenue which is currently recognized at a point in time at the end of a contract may have to be recognized over the contract term and vice versa.

There are new specific rules on licenses, warranties, non-refundable upfront fees and, consignment arrangements, to name a few.

Increased required disclosures.

Property, plant and equipment

As per IAS 16, Property, plant and equipment is stated at cost less accumulated depreciation and identified impairment losses, if any. Cost consists of purchase cost, together with any incidental expenses of acquisition. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Company and the cost can be measured reliably. Repairs and maintenance are charged to the Statement of Profit or Loss and Other Comprehensive Income during the period in which they are incurred. Land is not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their cost, less estimated residual values, over the estimated useful lives of the assets or the lease term, if shorter

The estimated useful lives of the assets, as follows:

	Years
Plant and machinery	5
Furniture & office equipment	5
Motor vehicle	5

4 Summary of Significant Accounting Policies (Continued)

Property, plant and equipment (Continued)

Major overhaul expenditure is depreciated over the shorter of the period to the next major overhaul, the remaining lease term or the useful life of the asset concerned.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the 'Statement of Profit or Loss and Other Comprehensive Income'.

Inventories

Inventories are valued at the lower of cost and net realisable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Cost for each category of inventories is determined as follows:

Raw and packing materials

The cost of raw and packing material is determined on a first-in first-out principle, and includes insurance, freight and other incidental charges incurred in bringing the inventories to the present location and condition.

Finished goods and work in progress

The cost of finished goods and work in progress comprises of cost of raw materials, labour charges and appropriate portion of production overheads based on normal operating capacity.

Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less they are classified as current assets otherwise as non-current assets. Trade receivables are carried at the invoice amounts less an estimate made for doubtful receivables based on a review of all outstanding amounts at the year-end. Bad debts are written off when identified.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and – for the purpose of the statement of Cash Flows - bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the Statement of Financial Position.

Trade payables, provisions and accruals

Liabilities are recognized for amounts to be paid in future for goods and services rendered, whether or not billed to the Concern.

Provisions are recognized when the Concern has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Value added tax

As per the Federal Decree-Law No. (08) of 2017, effective from January 1, 2018 for companies incorporated in UAE. Value Added Tax (VAT), is charged at 5% standard rate or 0% (as the case may be) on every taxable supply and deemed supply made by the taxable person. The Company is required to file its VAT returns and compute the payable tax (which is output tax less input tax) for the allotted tax periods and deposit the same within the prescribed due dates of filing VAT return and tax payment.

4 Summary of Significant Accounting Policies (Continued)

Corporate tax

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

The Cabinet of Ministry Decision No. 116/2022 effective from 2023, specifies the threshold of income over which the 9% tax rate would apply and accordingly, the Law is now considered to be substantively enacted. A rate of 9% will apply to taxable income exceeding AED 375,000, a rate of 0% will apply to taxable income not exceeding AED 375,000 and a rate of 0% on qualifying income of free zone entities.

Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI. The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under IAS 37 Provisions, Contingent Liabilities and Contingent

The Company has determined that the global minimum top-up tax – which it is required to pay under Pillar Two legislation – is an income tax in the scope of IAS 12. The Company has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

• temporary differences on the initial recognition of assets or liabilities in a transaction that:

- is not a business combination; and

- at the time of the transaction (i) affects neither accounting nor taxable profit or loss and (ii) does not give rise to equal taxable and deductible temporary differences;

• temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

• taxable temporary differences arising on the initial recognition of goodwill

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

4 Summary of Significant Accounting Policies (Continued)

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Company has not rebutted this presumption.

Deferred tax assets and liabilities are offset only if certain criteria are met.

Financial instruments

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

Financial assets

Initial recognition and measurement

As per IFRS 9, Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model or managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

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

Subsequent measurement

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

Financial assets at amortised cost (debt instruments);

Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);

Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments);

Financial assets at fair value through profit or loss.

4 Summary of Significant Accounting Policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Initial recognition and measurement (Continued)

Subsequent measurement (Continued)

This category is the most relevant to the Company. The Company measures financial assets at amortised cost if both of the following conditions are met:

The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

The contractual terms of the financial asset give rise on a specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost includes trade receivable, deposits and other receivables.

The Company measures debt instruments at fair value through OCI if both of the following conditions are met:

The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and

The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

4 Summary of Significant Accounting Policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Derecognition

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

The rights to receive cash flows from the asset have expired; or

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and reward of the asset, not transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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

Impairment of financial assets

For trade receivable, the Company has applied a combination of the simplified and general approach permitted by IFRS 9. Simplified approach is applied to a portfolio of trade receivable that are homogeneous in nature and carry similar credit risk. Under general approach, the Company measures the loss allowance for a financial asset at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. However, simplified approach requires expected lifetime losses to be recognized from initial recognition of the receivables.

Financial liabilities

Initial recognition and measurement

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

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities includes bank borrowings and trade and other payables.

Subsequent measurement

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

4 Summary of Significant Accounting Policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Financial liabilities (Continued)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near

Gains or losses on liabilities held for trading are recognized in the statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings.

Derecognition

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

Offsetting of financial instruments

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

Foreign currency transactions

As per IAS 21, Foreign currency transactions should be recorded initially at the rate of exchange at the date of the transaction (use of averages is permitted if they are a reasonable approximation of actual).

At each subsequent balance sheet date.

Foreign currency monetary amounts should be reported using the closing rate.

Non-monetary items carried at historical cost should be reported using the exchange rate at the date of the

Non-monetary items carried at fair value should be reported at the rate that existed when the fair values were

Exchange differences arising when monetary items are settled or when monetary items are translated at rates different from those at which they were translated when initially recognized or in previous financial statements are reported in the 'Statement of Profit or Loss and Other Comprehensive Income'. on net basis as either 'Foreign exchange gains' or 'Foreign exchange losses' and included in 'Other operating income' or "Other operating expenses' respectively.

4 Summary of Significant Accounting Policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of assets

As per IAS 36, At the end of each reporting period, the entity is require to reviews the carrying amounts of its tangible and intangible assets whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized 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 to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets other than goodwill are reviewed at the end of each reporting period for possible reversal of the impairment loss.

Short term borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost using the effective interest rate method. Difference between the proceeds (net of transaction costs) and the redemption value is recognized in the Statement of Profit or Loss and Other Comprehensive Income over the period of the borrowings using the effective interest method.

Borrowing costs are recognized in Statement of Profit or Loss and Other Comprehensive Income in the period in which they are incurred. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Obligations towards banking institutions are segregated generally into current portion (short term portion) and non-current portion (long term portion). Obligations which falls within a period of one period is treated as current portion (short term portion).

Staff terminal benefits

An accrual is made for estimated liability for employees' entitlement to annual leave and leave passage as a result of services rendered by eligible employees up to the reporting date. Provision is also made for the full amount of end of service benefits due to employees in accordance with the company's policy, which is at least equal to the benefits payable in accordance with UAE Labour Law, for their period of service up to the reporting date. The accrual relating to annual leave is disclosed as a current liability, while the provision relating to end of service benefits is disclosed as a non-current liability.

5 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Company's accounting policies, which are described in note 3, the management of the Company is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgments in applying accounting policies

The following are the critical judgments, apart from those involving estimations, that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

5 Critical Accounting Judgements and Key Sources of Estimation Uncertainty (Continued)

Satisfaction of performance obligations under IFRS 15 Revenue from contracts with customers

The Company is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognising revenue. Revenue is recognized when the Company satisfies a performance obligation by transferring the promised good or service to the customer, which is when the customer obtains control of the good or service.

Determination of transaction prices

In the process of determining transaction prices in respect of its contracts with customers, the Company assesses impact of any variable consideration in the contract due to discounts, penalties, the existence of any significant financing component or any non cash consideration. In determining the impact of variable consideration the Company uses the most likely amount method under IFRS 15 whereby the transaction price is determined by reference to the single most likely amount in a range of possible consideration amounts.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Any difference between the amounts actually collected in a future period and the amounts expected, will be recognized in the income statement in that period.

Impairment of non-financial assets

The Company assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount.

Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

6 Property, plant and equipment

Cost	**IT equipments**	**Total AED**
As At 1st January, 2023	9,784	9,784
Addition during the year	-	-
As at 31st Dec, 2023	**9,784**	**9,784**
Accumulated depreciation		
As At 1st January, 2023	-	-
Charges during the year	765	765
As at 31st Dec, 2023	**765**	**765**
Net book value		
As at 31st Dec, 2023	**9,019**	**9,019**
As at 31st Dec, 2022	**9,784**	**9,784**

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			2025
			AED
7	**Trade receivables**	(Note 7.1)	**3,478,650**
7.1	**Age analysis**	**AED**	
	1 to 180 days	**3,478,650**	
8	**Cash in hand and at banks**		
	Cash in hand		2,811
	Cash at banks		1,913,464
			1,916,275
9	**Deposits, prepayment and advances**		
	Advance to Suppliers		44,159
	Security Deposit		4,701,020
	Rent Deposit		5,000
	Advance for Asset		316,600
	Prepayments		1,038,333
			6,105,112
10	**Long-term Borrowing**		
	Loan from shareholder		3,438,643
			3,438,643
11	**Trade and Other Payables**		
	Trade payables		5,926,938
	VAT Payable		10,289
	Accruals and Prvoisions		106,500
	Corporate Tax Payable		120,908
			6,164,635
12	**Legal reserve**		**78,789**

As per the U.A.E. Federal Commercial Company Law, 5%of the net profits of the company has been transferred to legal reserve each year. Such transfer may be discontinued as the legal reserve equals to 50% of the paid up share capital.

13	**Retained earnings**	
	Opening	-
	Net profit for the year	1,575,778
	Transfer to legal reserves	(78,789)
		1,496,989

			2025
			AED
14	**Revenue**	(Note 14.1)	**7,265,522**

14.1 The bifurcation of the revenue according to the laws of Value Added Tax (VAT) is as follows:

	AED
Local and other sales	7,265,522

15	**Cost of revenue**	-
16	**General administrative expenses**	
	Salaries and wages	343,838
	Rent	54,000
	Professional management services fees	4,010,000
	Legal & professional fees	320,738
	Back office and technical support expenes	601,534
	Utilities	4,457
	Business promotion	9,849
	Computer & software expenses	70,099
	Travelling & conveyance	12,015
	Penalties and fines	9,872
	Staff recruitment expenses	15,000
	Printing & stationery	266
	Office expenses	47,975
		5,499,643
17	**Finance cost**	
	Bank charges	2,378
	Interest on loan	66,050
		68,428

18 Fair value of financial instruments

The company's financial instruments are accounted for under the historical cost convention. Fair value represents the amount at which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction, therefore, differences can arise between values under the historical cost method and fair value estimates. The fair value of the company's financial instruments is not materially different from the carrying value at 31st March, 2025.

19 Interest rate risk

Significant financial instruments, other assets and other liabilities of the company As at 31st March, 2025 are not interest based.

The management negotiates credit terms on its borrowings at the time of renewal of credit facilities by its bankers which take place on annual basis to obtain reasonable pricing and conditions.

Bank term loan and vehicle loans are subject to fixed rates of interest at levels generally obtained in the UAE and are therefore exposed to fair value interest rate risk.

20 Liquidity risk

This is the risk where the Concern will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Management monitors its cash requirements to ensure adequacy of funding from banks. If necessary, funds are arranged from the Shareholder and the related party to ensure that the payment obligations are met on time.

21 Exchange rate risk

Since the main underlying currencies of the financial instruments, other assets, other liabilities and transactions including cost of sales and sales are in U.A.E. Dirhams, the company is not exposed to a significant exchange rate

22 Contingencies and commitments

As at 31st March, 2025, the company had no contingencies and commitments.

23 Comparative figures

There are no comparative figures as these are first financials of the company representing optimizing result for the year ended 31st March, 2025. Figures of the company have been rounded off to nearest AED 1/-.

The accompanying notes on pages 7 to 20 form an integral part of these financial statements.
The report of the auditor's is set out on the pages 1 & 2.

For PENTACLE ENGINEERING SERVICES L.L.C

Authorized signatory