

LONDON DE FZCO
DUBAI MULTI COMMODITIES CENTRE
DUBAI - UNITED ARAB EMIRATES

AUDITOR'S REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

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The Dubai Chamber of Commerce hereby verified the signature of the authorized person NASER SAYED AHMED MOHAMED SAYED AHMED of M/S NBN AUDITING OF ACCOUNTS, The chamber does not bear any responsibility towards others' right.



SR#: 1-23375975604

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LONDON DE FZCO
Dubai - United Arab Emirates
As at June 30, 2025

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DIRECTOR'S REPORT

The Director of LONDON DE FZCO, Dubai, United Arab Emirates, is pleased to present his report along with the audited statements of the company for the year ended June 30, 2025.

Principal activities:

The main activities of the Company as per trading license are pearls & precious stones trading, non manufactured precious metal trading and jewellery trading.

Financial Results:

The company has reported a net profit USD 1,217,273/- for the year ended June 30, 2025. The revenue for the year ended June 30, 2025 was USD 6,313,832/-

Financial Summary:

Particulars	30.06.2025 USD
Revenue	6,313,832
Gross profit	3,421,295
Total comprehensive profit for the year	1,217,273

Auditors:

M/s. NBN Auditing of Accounts were appointed as auditors of the company for the year ended 30.06.2025. M/s. NBN Auditing of Accounts are eligible for re-appointment and have expressed their willingness to continue in office.

Director's Responsibilities Statement:

The applicable requirements require the management to prepare the financial statements for each financial year which presents fairly in all material respects, the financial position of the company and its financial performance for the year then ended.

The audited financial statements for the year, have been prepared in conformity and in compliance with the relevant statutory requirements and other governing laws. The director confirms that sufficient care has been taken for the maintenance of proper and adequate accounting records that disclose with reasonable accuracy at any time, the financial position of the company and enables him to ensure that the financial statements comply with the requirements of applicable statute. So far as the director is aware, there is no relevant audit information of which the auditor is unaware, and the director has taken all the steps in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information. The director also confirms that appropriate accounting policies have been selected and applied consistently in order that the financial statements reflect fairly the form and substance of the transactions carried out during the year and reasonably present the company's financial conditions and results of its operations.

On behalf of LONDON DE FZCO

Director
August 9, 2025

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INDEPENDENT AUDITOR'S REPORT

To,
The Shareholder of
LONDON DE FZCO
Dubai - United Arab Emirates

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of LONDON DE FZCO, Dubai, United Arab Emirates, which comprise the statement of financial position as at June 30, 2025 and the statement of profit or loss and other comprehensive income, statement of changes in shareholder's equity, statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of LONDON DE FZCO, Dubai, United Arab Emirates, as at June 30, 2025 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

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 Financial Statements section of our report. We are independent of the company in accordance with International Ethics Standards board for Accountants Code of Ethics for Professional Accountants (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 IFRS and their preparation in compliance with applicable provisions of the Dubai Multi Commodities Centre Authority (DMCC) 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.

Those charged with Governance are responsible for overseeing the Company's financial reporting process.



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INDEPENDENT AUDITOR'S REPORT (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with 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.



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INDEPENDENT AUDITOR'S REPORT (Continued)

Report on Other Legal and Regulatory Requirements

Further, we report that:

- i) we have obtained all the information and explanations we considered necessary for the purposes of our audit;
- ii) the financial statements have been prepared and comply, in all material respects, with the applicable provisions of the Dubai Multi Commodities Centre Authority (DMCC);
- iii) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the company has contravened during the financial year ended June 30, 2025 any of the applicable provisions of the Dubai Multi Commodities Centre Authority (DMCC) or company's Articles of Association, which would materially affect its activities or its financial position as at June 30, 2025.

NBN Auditing of Accounts
Mr. NASER SAYED AHMED MOHAMED SAYED AHMED
Reg. No: 814

Dubai – United Arab Emirates
August 9, 2025



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LONDON DE FZCO
 Dubai - United Arab Emirates

Statement of Financial Position
As at June 30, 2025

	Notes	30.06.2025
		USD
Assets		
Non-Current Assets		
Property, Plant and Equipment	6	6,102,136
Total Non-Current Assets		6,102,136
Current Assets		
Cash and Cash Equivalents	7	2,416,258
Trade Receivables	8	1,640,064
Inventories	9	8,063,796
Total Current Assets		12,120,118
Total Assets		18,222,254
Shareholder's Equity		
Share Capital	10	13,615
Retained Earnings	11	1,217,273
Shareholder's Current Account	12	5,898,355
Total Shareholder's Equity		7,129,243
Non-Current Liabilities		
Employees' End of Service Benefits	13	2,256,365
Total Non-Current Liabilities		2,256,365
Current liabilities		
Trade and Other Payables	14	8,836,646
Total Current Liabilities		8,836,646
Total Liabilities		11,093,011
Total Liabilities and Shareholder's Equity		18,222,254

The accompanying notes form an integral part of these financial statements.
 The report of the auditor's is set out on the pages 2 to 4.

The financial statements on pages 5 to 25 were approved and signed by the authorized signatory on August 09, 2025.

Director
 August 9, 2025



LONDON DE FZCO
Dubai - United Arab Emirates

Statement of Profit or Loss and Other Comprehensive Income
For the year ended June 30, 2025

	Notes	30.06.2025 USD
Revenue	15	6,313,832
Cost of Revenue	16	(2,892,537)
Gross profit		3,421,295
Other Income	17	5,711
Operating Expenses		
General and Administration Expenses	18	(987,881)
Finance Cost	19	(1,425)
Depreciation	6	(1,220,427)
Total comprehensive profit for the year		1,217,273

The accompanying notes form an integral part of these financial statements.
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The financial statements on pages 5 to 25 were approved and signed by the authorized signatory on August 09, 2025.

Director
August 9, 2025



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Dubai - United Arab Emirates

Statement of Cash Flows
For the year ended June 30, 2025

	<u>30.06.2025</u>
	USD
Cash flows from operating activities:	
Total comprehensive profit for the year	1,217,273
Adjustments for:	
Depreciation	1,220,427
Provision for employees' end of service benefits	2,256,365
Net cash flows before changes in operating assets & liabilities	<u>4,694,065</u>
(Increase) in current assets	
Trade Receivables	(1,640,064)
Inventories	(8,063,796)
Increase in current liabilities	
Trade and Other Payables	<u>1,514,083</u>
Net cash (used in) operating activities	<u>(3,495,712)</u>
Cash flows from financing activities:	
Net movement - shareholder's current account	<u>5,911,970</u>
Net cash from financing activities	<u>5,911,970</u>
Net increase in cash and cash equivalents	<u>2,416,258</u>
Cash and cash equivalents, beginning of the year	-
Cash and cash equivalents, end of the year	<u><u>2,416,258</u></u>
Represented by:	
Cash and Cash Equivalents	<u>2,416,258</u>
	<u><u>2,416,258</u></u>

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The report of the auditor's is set out on the pages 2 to 4.



LONDON DE FZCO
 Dubai - United Arab Emirates

Statement of Changes in Shareholder's Equity
For the year ended June 30, 2025

	<u>Share</u> <u>Capital</u> USD	<u>Retained</u> <u>Earnings</u> USD	<u>Shareholder's</u> <u>Current</u> <u>Account</u> USD	<u>Total</u> USD
Changes in Shareholder's Equity:				
Balance as on July 01, 2024	13,615	-	(13,615)	-
Total comprehensive profit for the year	-	1,217,273	-	1,217,273
Net movements during the year	-	-	5,911,970	5,911,970
Balance as on June 30, 2025	13,615	1,217,273	5,898,355	7,129,243

The accompanying notes form an integral part of these financial statements.
 The report of the auditor's is set out on the pages 2 to 4.



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LONDON DE FZCO
Dubai - United Arab Emirates

Notes to the financial statements for the year ended June 30, 2025

1 Legal status and business activity:

- 1.1** LONDON DE FZCO ("the Company") was incorporated on January 17, 2022 as a Free Zone Company and operates in Dubai, United Arab Emirates, under the trading license number DMCC-834585 issued by the Dubai Multi Commodities Centre, Government of Dubai, United Arab Emirates.
- 1.2** The main activities of the Company as per trading license are pearls & precious stones trading, non manufactured precious metal trading and jewellery trading.
- 1.3** The Company is located at Unit No: AG-PF-249, AG Tower, Plot No: JLT-PH1-I1A, Jumeirah Lakes Towers, Dubai, United Arab Emirates.
- 1.4** The management and control are vested with Philip Edward Spencer.
- 1.5** These financial statements incorporate the operating results of license No. DMCC-834585 issued by the Dubai Multi Commodities Centre, Government of Dubai, United Arab Emirates.

2 Share capital

Authorised, issued and paid up capital of the Company is AED 50,000 divided into 50 shares of AED 1,000 each (equivalent to USD 13,615 divided into 50 shares), fully paid.

The shareholding pattern as at the end of reporting year is as below:

	Name	Nationality	% Holding	Capital (USD)
1	Mr. Philip Edward Spencer	UK	100%	13,615
	Total		100%	13,615

3 Basis of preparation

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the interpretation issued by the International Financial Reporting Interpretations Committee ("IFRIC") applicable to companies reporting under IFRS. The financial statements comply with the IFRS as issued by the International Accounting Standards Board (IASB). These financial statements have been prepared under the historical cost convention. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. There are no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements for the year ended June 30, 2025.

These financial statements are presented in United States Dollars ("USD"), which is the Company's functional currency and all values are rounded to the nearest USD 1/-, except when otherwise indicated.



LONDON DE FZCO
Dubai - United Arab Emirates

Notes to the financial statements for the year ended June 30, 2025

Notes (Continued)

4 Statement of compliance

Going Concern

The financial statements have been prepared based on Going Concern basis.

While 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 or cease operations, or has no realistic alternative but to do so.

Use of estimates and judgments

The preparation of the financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of Company's accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the financial statements.

Application of new and revised International Financial Reporting Standards (IFRSs)

New and revised IFRS applied with no material effect on the financial statements.

The following new and revised IFRS became effective for annual periods beginning on or after 1 January 2024. The application of these revised IFRS has not had any material impact on the amounts reported for the current period but may affect the accounting for future transactions or arrangements. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments apply for the first time in 2024, but do not have a material impact on the financial statements of the Company.

• **Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7**

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The amendments had no impact on the Company's financial statements.



LONDON DE FZCO
Dubai - United Arab Emirates

Notes to the financial statements for the year ended June 30, 2025

Notes (Continued)

Statement of compliance (Continued)

New and revised IFRS applied with no material effect on the financial statements (Continued)

• **Amendments to IFRS 16: Lease Liability in a Sale and Leaseback**

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments had no impact on the Company's financial statements.

• **Amendments to IAS 1: Classification of Liabilities as Current or Non-current**

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current.

The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Company's financial statements.

New standards, interpretations and amendments issued but not effective and adopted by the Company

• **IFRS 18 Presentation and Disclosure in Financial Statements**

The IASB issued IFRS 18 Presentation and Disclosure in Financial Statements in April 2024. IFRS 18 aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows.

IFRS 18 is effective from 1 January 2027. Companies are permitted to apply IFRS 18 before that date. IFRS 18 replaces IAS 1 Presentation of Financial Statements. Requirements in IAS 1 that are unchanged have been transferred to IFRS 18 and other Standards. IFRS 18 will affect the presentation and disclosure of financial performance in the Company's financial statements when adopted.

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Notes to the financial statements for the year ended June 30, 2025

Notes (Continued)

Statement of compliance (Continued)

New standards, interpretations and amendments issued but not effective and adopted by the Company (Continued)

• **IFRS 19 Subsidiaries without Public Accountability: Disclosures**

IFRS 19 specifies reduced disclosure requirements that an eligible entity is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards. IFRS 19 was issued in May 2024 and applies to an annual reporting period beginning on or after 1 January 2027.

• **Amendments to IAS 21: Lack of Exchangeability**

The IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates which require disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable. The amendment apply to annual reporting periods beginning on or after 1 January 2025 and can be applied earlier.

Management anticipates that these new standards, interpretations and amendments will be adopted in the company's financial statements for the period of initial application and adoption of these new standards, interpretations and amendments may have no material impact on the financial statements of the company in the period of initial application.

5 Summary of significant accounting policies

5.1 Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of sale;
- Expected to be realised within twelve months after the reporting period or;
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of sale;
- It is due to be settled within twelve months after the reporting period or;
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

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Notes to the financial statements for the year ended June 30, 2025

Notes (Continued)

Summary of significant accounting policies (Continued)

5.2 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. Cost includes the purchase price and directly associated costs of bringing the asset to a working condition for its intended use. Maintenance and repairs, replacements and improvements of minor importance are expensed as incurred. In situations, where it is clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment beyond its originally assessed standard of performance, the expenditure is capitalised.

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line basis over their estimated useful lives. Depreciation is recognised in profit or loss.

The estimated useful lives for the current and comparative periods are as follows:

Assets	Years
Property, Plant and Equipment	5 - 10

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

5.3 Impairment of non-financial assets

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may 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 cost to sell the value in use. for the purpose of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash - generating units). Prior impairments of non-financial assets are reviewed for possible reversal at each reporting date.

5.4 Financial assets

Recognition, initial measurement and derecognition

Financial assets are recognised when an entity becomes a party to the contractual provisions of the instrument. Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.



LONDON DE FZCO
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Notes to the financial statements for the year ended June 30, 2025

Notes (Continued)

Summary of significant accounting policies (Continued)

Financial assets (Continued)

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

To determine their classification and measurement category, IFRS 9 requires all financial assets, except equity instruments and derivatives, to be assessed based on a combination of the entity's business model for managing the assets and the instruments' contractual cash flow characteristics.

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objectives and in order to generate contractual cash flows. That is, whether the Company's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'Sell' business model and measured at FVPL. The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios.

A financial asset is derecognized either when: the contractual rights to receive the cash flows from the financial asset have expired; or the Company has transferred its rights to receive cash flows from the financial asset and either (a) has transferred substantially all the risks and rewards of ownership of the financial asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the financial asset, but has transferred control of the financial asset. Where the Company has retained control, it shall continue to recognize the financial asset to the extent of its continuing involvement in the financial asset.

Classification of financial assets

Financial assets are classified in the financial statements into the following categories upon initial recognition:

-Financial assets at amortized cost

Subsequent Measurement

Financial assets at amortized cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and

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



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Notes to the financial statements for the year ended June 30, 2025

Notes (continued)

Summary of significant accounting policies (Continued)

Financial assets (Continued)

Financial assets measured at amortized cost are subsequently measured at amortized cost using the effective yield method adjusted for impairment losses if any. Gains and losses are recognized in statement of comprehensive income when the asset is derecognized, modified or impaired.

Financial assets carried at amortised cost consist of accounts and other receivables (excluding Advance to suppliers and prepayments) and bank balances and cash.

All other financial assets are subsequently measured at fair value.

5.5 Offsetting

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

5.6 Accounts and other receivables

Accounts receivables are amounts due from customers for merchandise sold in the ordinary course of business. They are generally due for settlement within less than a year and therefore are all classified as current. Accounts and other receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financial components, when they are recognised at fair value. The Company holds the Accounts receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Accounts and other receivables are written off when there is no reasonable expectation of recovery.

Impairment losses on deposit and other receivables are presented as a separate line item in statement of comprehensive income. Subsequent recoveries of amounts previously written off are credited against the same line item.

5.7 Bank balances and cash

Bank balances and cash comprise cash in hand and at banks, and are subject to an insignificant risk of changes in value.

5.8 Provision for employees' end of service benefit

Provision for end of service benefits and other benefits is made in accordance with the requirements of the applicable law of the UAE. Employees are entitled to benefits based on minimum length of service and final basic salary. Employee end of service benefit is payable on termination or completion of the term of employment. The provision relating to end of service benefits is disclosed as a non-current liability.



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Notes to the financial statements for the year ended June 30, 2025

Notes (continued)

Summary of significant accounting policies (Continued)

5.9 Inventories

Inventories are carried at lower of cost and net realizable value (estimated selling price less cost to complete and selling expenses). Raw material cost includes aggregate of purchase price, including applicable cost to bring the inventory to the present condition, valued at 'first-in-first-out' method. Work in process & finished goods if any include cost of direct material, direct labour, packaging costs, other direct costs and allocation of production related overheads. Any excess of carrying amount, over the net realizable value is charged immediately as impairment loss through statement of comprehensive income. Inventory items, which are slow moving or obsolete are assessed and reserve for impairment of inventories is created based on their ageing and saleability.

Impairment of inventories:

Inventories are subjected to ageing & impairment test on a periodical basis by management on damaged, obsolete and slow-moving inventories. These reviews require judgments and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

5.10 Accounts and other payables

Accounts payables are obligations to pay for goods or services that have been acquired in ordinary course of business from suppliers. Accounts 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 presented as non-current liabilities.

Accounts and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

5.11 Provisions

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

5.12 Leases

The Company does not have any lease contracts with lease term of more than 12 months but the amount is no impact of IFRS 16.

Payments associated with short-term leases, i.e., leases with a lease term of 12 months or less, and leases of low-value assets, i.e., items that are considered insignificant for the statement of financial position as a whole, are recognised on a straight-line basis as an expense in profit or loss.

Extension or termination option is not included in property lease in the Company. 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).



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Notes to the financial statements for the year ended June 30, 2025

Notes (continued)

Summary of significant accounting policies (Continued)

5.13 Revenue recognition

Sale of goods

The Company recognises revenue from contract with customers based on a five step model as set out in IFRS 15 :

- Identify the contract(s) with the customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
- Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer good or service to the customer.
- Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the company expects to be entitled in exchange for satisfying each performance obligation.
- Recognise revenue when (or as) the entity satisfies a performance obligation at a point in time or over time.

5.14 Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the United Arab Emirates, where the Company operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.



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Notes to the financial statements for the year ended June 30, 2025

Notes (continued)

Summary of significant accounting policies (Continued)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

In assessing the recoverability of deferred tax assets, the Company relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports, which, among other things, reflect the potential impact of climate-related development on the business, such as increased cost of production as a result of measures to reduce carbon emission.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside statement of profit or loss is recognised outside the statement of profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.



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Notes to the financial statements for the year ended June 30, 2025

Notes (continued)

Summary of significant accounting policies (Continued)

5.15 Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency ("USD") at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to USD at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary items in a foreign currency that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss.

5.16 Common control transactions

Transactions under the common control of the Shareholders are accounted for using the cost model under book value accounting whereby the assets and liabilities are recognised at their carry value. Any gain/ loss arising is recognised directly in equity.

6 Property, Plant and Equipment

	<u>Property, Plant and Equipment</u> USD	<u>Total</u> USD
Cost:		
As on July 01, 2024	7,322,563	7,322,563
Additions	-	-
At June 30, 2025	<u>7,322,563</u>	<u>7,322,563</u>
Accumulated Depreciation:		
As on July 01, 2024		
Depreciation for the year	1,220,427	1,220,427
At June 30, 2025	<u>1,220,427</u>	<u>1,220,427</u>
Net book value:		
At June 30, 2025	<u>6,102,136</u>	<u>6,102,136</u>



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Notes to the financial statements for the year ended June 30, 2025

7	Cash and Cash Equivalents	Balance as at, 30.06.2025 USD
	Cash and Cash Equivalents	2,416,258 2,416,258
8	Trade Receivables	Balance as at, 30.06.2025 USD
	Trade receivables	1,640,064 1,640,064
9	Inventories	Balance as at, 30.06.2025 USD
	Raw materials	8,063,796 8,063,796
10	Share Capital	Balance as at, 30.06.2025 USD
	50 shares of USD 272.3 each	13,615 13,615
11	Retained Earnings	Balance as at, 30.06.2025 USD
	Opening balance July 01	-
	Total comprehensive profit for the year	1,217,273
	Closing balance June 30	1,217,273



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Notes to the financial statements for the year ended June 30, 2025

12 Shareholder's Current Account

	<u>Balance as at,</u> <u>30.06.2025</u> USD
Opening balance July 01	(13,615)
Net movement during the year	<u>5,911,970</u>
Closing balance June 30	<u><u>5,898,355</u></u>

13 Employees' End Of Service Benefits

	<u>Balance as at,</u> <u>30.06.2025</u> USD
Opening balance July 01	-
Provision during the year	<u>2,256,365</u>
Closing balance June 30	<u><u>2,256,365</u></u>

14 Trade and Other Payables

	<u>Balance as at,</u> <u>30.06.2025</u> USD
Trade Payables	6,051,183
Other Payables	<u>2,785,463</u>
	<u><u>8,836,646</u></u>

15 Revenue

	<u>For the year ended,</u> <u>30.06.2025</u> USD
Revenue	<u>6,313,832</u>
	<u><u>6,313,832</u></u>

Note - The company generates revenue primarily from jewellery, pearls and precious stones trading.

16 Cost of Revenue

	<u>For the year ended,</u> <u>30.06.2025</u> USD
Inventories, beginning of the year	-
Purchases including direct expenses	10,956,333
Less : Inventories, end of the year	<u>(8,063,796)</u>
	<u><u>2,892,537</u></u>



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Notes to the financial statements for the year ended June 30, 2025

17	Other Income	
		For the year ended,
		30.06.2025
		USD
	Other income	5,711
		<u>5,711</u>
18	General and Administration Expenses	
		For the year ended,
		30.06.2025
		USD
	Administrative Expense	987,881
		<u>987,881</u>
19	Finance Cost	
		For the year ended,
		30.06.2025
		USD
	Bank Charges	1,425
		<u>1,425</u>
20	Financial Instruments	
	Financial instruments by categories:	
		Balance as at,
		30.06.2025
		USD
	Financial Assets:	
	Cash and Cash Equivalents	2,416,258
	Trade Receivables	1,640,064
		<u>4,056,322</u>
		Balance as at,
		30.06.2025
		USD
	Financial Liabilities:	
	Trade and Other Payables	8,836,646
		<u>8,836,646</u>
21	Fair values of financial assets and liabilities	
	The carrying values of all financial assets and liabilities reflected in financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date. Fair value is the amount for which an asset could be exchanged or a liability can be settled, between knowledgeable willing parties in an arm's length transaction.	



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Notes to the financial statements for the year ended June 30, 2025

Notes (continued)

22 Financial risk management

The company finances its operations through mix of equity and working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk. The company's activities expose it to a variety of financial risks (credit risk, liquidity risk and market risk). The overall risk management is carried out by the finance department in line with policies approved by director.

22.1 Credit risk and concentration of credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The credit risk on liquid funds is limited because the company bank accounts are placed with high credit quality financial institutions.

For trade receivables, credit quality of customers is assessed taking into consideration, their financial position and previous dealings and on that basis, individual credit limits are set. Moreover, the management regularly monitors and reviews clients credit exposure. trade and other receivables are stated net of allowance for doubtful recoveries.

Due to company long standing relations with counter parties and after giving due consideration to their financial standing, the management does not expect non performance by these counter parties on their obligations to the company.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	<u>30.06.2025</u>
	USD
Trade Receivables	1,640,064
Cash and Cash Equivalents	<u>2,416,258</u>
	<u>4,056,322</u>

22.2 Liquidity risk

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

The Entity approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Entity's reputation.

The Entity manages liquidity risk by matching the maturity profiles of financial assets and liabilities.



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Notes to the financial statements for the year ended June 30, 2025

Notes (continued)

Liquidity risk (continued)

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

30 June, 2025

	Carrying amount USD	Contractual cash flows USD	1 year or less USD	More than 1 year USD
<i>Non-derivative financial liabilities</i>				
Trade & Other Payables	8,836,646	8,836,646	8,836,646	-
	8,836,646	8,836,646	8,836,646	-

22.3 Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the company income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing returns.

a) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

b) Currency risk

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. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The company manages its exposure to currency risk through continues monitoring of expected/forecast committed and non-committed foreign currency payments and receipts, exposure to currency risk is measured and appropriate steps are taken to ensure that such exposure is minimized and while optimizing return.

c) Equity price risk

Trading and investing in equity securities give rise to equity price risk. As at the reporting date, company is not exposed to any equity price risk.

Notes (continued)

23 Management of Capital

The company's objectives when managing capital are to ensure that the company continues as a going concern and to provide Shareholder's with a rate of return on their investments commensurate with the level of risk assumed.

Capital comprises equity funds as presented in the statement of financial position together with amounts due to / due from related parties. Debt comprises total amounts owing to third parties, net of cash and cash equivalents.



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Notes to the financial statements for the year ended June 30, 2025

Management of Capital (Continued)

The Company is subject to imposed capital requirements as per provisions of the Dubai Multi Commodities Centre Authority (DMCC). The company has complied with all the capital requirements to which it is subject.

Funds received from related parties, new funds provided to related parties are retained in the business according to the business requirements and maintain capital at desired levels.

24 Contingent liability and capital commitments

Except for the on-going business obligations which are under normal course of business against which no loss is expected, there has been no other known contingent liability or capital commitment on company's account as of statement of financial position date.

25 Comparative figures

The comparative figures for the previous year were not subject to an independent audit, and certain balances have been derived from unaudited financial information.

