Al Ansari Financial Services PJSC and its Subsidiaries

Review report and condensed interim consolidated financial statements for the three-month period ended 31 March 2024

2024

FIRST QUARTER

AL ANSARI FINANCIAL SERVICES PJSC
AND ITS SUBSIDIARIES

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REVIEW REPORT ON CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders
Al Ansari Financial Services PJSC
Dubai, United Arab Emirates

Introduction

We have reviewed the accompanying condensed interim consolidated balance sheet of Al Ansari Financial Services PJSC (the "Company") and its subsidiaries (together referred to as the "Group") as at 31 March 2024 and the related condensed interim statement of profit or loss and other comprehensive income, changes in equity and cash flows for the three-month period ended 31 March 2024. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Deloitte & Touche (M.E.)

Firas Anabtawi
Registration No. 5482
09 May 2024
Dubai
United Arab Emirates

Al Ansari Financial Services PJSC and its Subsidiaries

Condensed interim consolidated statement of financial position
As at 31 March 2024

	Note	31 March 2024 (Unaudited)	31 December 2023 (Audited)
ASSETS		AED'000	AED'000
Non-current assets			
Right-of-use assets	4	99,599	92,031
Property and equipment	5	72,268	71,926
Restricted deposits with banks		54,256	51,259
Total non-current assets		**226,123**	**215,216**
Current assets			
Cash in hand and in transit	6	1,055,133	1,137,784
Due from banks	6	1,721,838	1,577,329
Due from exchange houses and agents	6	78,204	46,363
Due from related parties	7	12,089	22
Prepayments and other receivables	8	114,011	117,454
Total current assets		**2,981,275**	**2,878,952**
Total assets		**3,207,398**	**3,094,168**
LIABILITIES AND EQUITY			
LIABILITIES			
Non-current liabilities			
Lease liabilities	9	41,938	44,550
Provision for employees' end-of-service benefits		47,121	45,851
Total non-current liabilities		**89,059**	**90,401**
Current liabilities			
Trade and other payables	10	847,084	742,103
Dividends payable	11	300,000	-
Due to banks		38,980	20,376
Due to exchange houses and agents		90,238	72,560
Due to related parties	7	1,559	4,163
Bank borrowings	12	200,000	325,000
Lease liabilities	9	40,315	38,146
Total current liabilities		**1,518,176**	**1,202,348**
Total liabilities		**1,607,235**	**1,292,749**
EQUITY			
Share capital	14	75,000	75,000
Statutory reserve		37,500	37,500
Acquisition reserve	15	286,143	286,143
Retained earnings		1,201,520	1,402,776
Total equity		**1,600,163**	**1,801,419**
Total liabilities and equity		**3,207,398**	**3,094,168**

To the best of our knowledge, the condensed interim consolidated financial statements are prepared, in all material respects, in accordance with IAS 34. The condensed interim consolidated financial statements were approved by the Board of Directors and authorised for issue on 09 May 2024 and signed on its behalf by:

Rashed Al Ansari
Group Chief Executive Officer

Faisal Anwar
Group Chief Financial Officer

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AL ANSARI FINANCIAL SERVICES P.J.S.C.

Al Ansari Financial Services PJSC and its Subsidiaries

Condensed interim consolidated statement of profit or loss and other comprehensive income
For the three-month period ended 31 March 2024

	Note	Three-month period ended 31 March 2024 (Unaudited)	 2023 (Unaudited)
		AED'000	AED'000
Net gain on currency exchange		129,037	149,634
Net commission income		145,689	137,388
Interest income		9,214	5,798
Other income		1,624	179
Total income		285,564	292,999
Expenses			
Salaries and benefits	16	(118,513)	(107,422)
General and administrative expenses		(33,473)	(27,677)
Depreciation and amortisation		(22,565)	(19,262)
Provision for expected credit losses		-	(240)
Finance cost		(2,178)	(5,088)
Bank charges		(325)	(301)
Profit before tax for the period		108,510	133,009
Corporate income tax expense	17	(9,766)	-
Profit after tax for the period		98,744	133,009
Other comprehensive income		-	-
Total comprehensive income for the period		98,744	133,009
Net profit attributable to:			
Shareholders of Al Ansari Financial Services P.J.S.C.		98,744	133,009
Basic and diluted earnings per share – AED	18	0.0132	0.0177

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Al Ansari Financial Services PJSC and its Subsidiaries

Condensed interim consolidated statement of changes in equity
For the three-month period ended 31 March 2024

	Share Capital	Statutory Reserve	Acquisition reserve	Retained earnings	Total Shareholders' equity
	AED'000	AED'000	AED'000	AED'000	AED'000
At 1 January 2023 (Audited)	75,000	-	286,143	1,245,087	1,606,230
Total comprehensive income for the period	-	-	-	133,009	133,009
At 31 March 2023 (Unaudited)	75,000	-	286,143	1,378,096	1,739,239
At 1 January 2024 (Audited)	75,000	37,500	286,143	1,402,776	1,801,419
Total comprehensive income for the period	-	-	-	98,744	98,744
Dividend declared (note 11)	-	-	-	(300,000)	(300,000)
At 31 March 2024 (Unaudited)	75,000	37,500	286,143	1,201,520	1,600,163

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Al Ansari Financial Services PJSC and its Subsidiaries

Condensed interim consolidated statement of cash flows
For the three-month period ended 31 March 2024

	Note	Three-month period ended 31 March 2024 (Unaudited)	2023 (Unaudited)
		AED'000	AED'000
Cash flows from operating activities			
Profit before tax for the period		108,510	133,009
Adjustments for:			
Depreciation and amortisation	4,5	22,565	19,263
Provision for expected credit losses	6.2	-	240
Finance cost		2,178	5,088
Provision for employees' end-of-service benefits		1,997	1,881
Loss on disposal of property and equipment		234	194
Operating cash flows before settlement of employees' end-of-service benefits and changes in working capital		135,484	159,675
Settlement of employees' end-of-service benefits		(727)	(938)
Changes in working capital:			
Due from exchange houses and agents		(33,291)	(199,169)
Due from related parties		(12,067)	(28,868)
Prepayment and other receivables		3,443	(2,840)
Trade and other payables		95,215	74,042
Due to related parties		(2,604)	3,454
Due to exchange houses and agents		17,678	22,104
Restricted deposits with banks		(2,997)	(54)
Net cash generated from operating activities		200,134	27,406
Cash flows from investing activities			
Purchase of property and equipment		(7,577)	(10,667)
Fixed deposits having maturities longer than three months		-	110,190
Proceeds from sale of property and equipment		27	-
Net cash (used in) / generated from investing activities		(7,550)	99,523
Cash flows from financing activities			
Lease liabilities paid	9	(24,676)	(18,520)
Proceeds from bank borrowings		200,000	-
Repayment of bank borrowings		(326,104)	(53,900)
Net cash used in financing activities		(150,780)	(72,420)
Net change in cash and cash equivalents		41,804	54,509
Cash and cash equivalents at the beginning of the period		2,664,247	2,226,625
Cash and cash equivalents at the end of the period	19	2,706,051	2,281,134

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

1. Legal status and principal activities

Al Ansari Financial Services P.J.S.C. (the "Company") is a public joint stock company with trade license number 758204 issued by the Department of Economy and Tourism in Dubai.

The Company was initially established as a limited liability company on 9 May 2016. The legal status of the Company was converted to a public joint stock company ("PJSC") on 3 April 2023 by virtue of a resolution of the Company's shareholders.

Pursuant to a resolution dated 8 March 2023, the shareholders approved the listing of the Company's shares on Dubai Financial Market whereby 10% of its shares were offered to the general public in an Initial Public Offering ("IPO"). The shares of the Company were listed on Dubai Financial Market on 6 April 2023.

As of the reporting date, Al Ansari Holding LLC (the "Parent Company") held 90% of the issued share capital whereas the remaining 10% is held by the general public.

These consolidated financial statements comprise the financial statements of the Company and its following subsidiaries (together referred to as the "Group").

Name of the subsidiary	Percentage holding	
	31 March 2024	31 December 2023
Al Ansari Exchange L.L.C.	100%	100%
Worldwide Cash Express Limited	100%	100%
Blue Horizon on Demand Labours Supply Services L.L.C.	100%	100%
Cash Trans Money & Valuables Transport Services L.L.C.	100%	100%
Al Ansari Digital Pay*	100%	-

All the subsidiaries mentioned above are incorporated in the United Arab Emirates ("UAE").

The Group is engaged in the business of buying and selling of foreign currencies and travellers' cheques, executing remittance operations in local and foreign currencies, payment of wages through establishing a link to the operating system of "wages protection" (WPS), providing special financial products (i.e. bill payments, cash collections, sale and reload of multi-currency prepaid cards) and transportation of cash and valuables.

* Al Ansari Digital Pay was incorporated in February 2024 and yet to commence its operations subject to obtaining a final approval from the Central Bank of UAE ("CBUAE") in respect of stored values facilities and retail payment services to its customers.

The registered office of the Group is at P.O. Box 6176, Dubai, UAE.

2. Basis of preparation

a. Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with the International Accounting Standard 34. "Interim Financial Reporting" issued by the International Accounting Standards Board.

The condensed interim consolidated financial statements do not include all the information required for a complete set of consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") and should be read in conjunction with the Group's audited consolidated financial statements for the year ended 31 December 2023. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual audited consolidated financial statements as at and for the year ended 31 December 2023.

b. Basis of measurement

These condensed interim consolidated financial statements have been prepared under the historical cost convention except for derivatives measured at fair value, and on a going concern basis.

No income of a seasonal nature was recorded in the condensed interim consolidated financial statements for the three-month period ended 31 March 2024. However, the results for the three-month period ended 31 March 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

c. Functional and presentation currency

The condensed interim consolidated financial statements are presented in United Arab Emirates Dirhams (AED) which is the Company's functional currency and the Group's presentation currency. All amounts have been rounded to the nearest AED thousands ('000s), unless stated otherwise.

d. Basis of consolidation

Subsidiary

A subsidiary is an investee controlled by the Group. The Group controls an investee if it is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The interim financial statements of a subsidiary are included in the condensed interim consolidated financial statements from the date on which control commences until the date when control ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intragroup transactions, are eliminated in preparing the condensed interim consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2. Basis of preparation (continued)

e. Judgments and estimates

The preparation of these condensed interim consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, equity, income and expense. Actual amounts may differ from these estimates.

In preparing these condensed interim consolidated financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of uncertainty in relation to estimates were the same as those which were applicable to the audited consolidated financial statements as at and for the year ended 31 December 2023.

3. Material accounting policy information

The accounting policies used in the preparation of these condensed interim consolidated financial statement are consistent with those used in the preparation of the Group's consolidated financial statements for the year ended 31 December 2023, and the notes attached thereto.

3.1 Adoption of new and revised Standards

New and amended IFRS Accounting Standards that are effective for the current period

In the current period, the Group has applied a number of amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board (IASB) that are effective for an annual period that begins on or after 1 January 2024.

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2024, have been adopted in these condensed interim consolidated financial statements. Their adoption has not had any material impact on the disclosures or on the amounts reported in these condensed interim consolidated financial statements.

New and revised IFRS	Summary
Amendments to IAS 1 *Presentation of Financial Statements* relating to Classification of Liabilities as Current or Non-Current	The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments also defer the effective date of the January 2020 amendments by one year, so that entities would be required to apply the amendment for annual periods beginning on or after 1 January 2024.

3. Material accounting policy information (continued)

3.1 Adoption of new and revised Standards (continued)

New and amended IFRS Accounting Standards that are effective for the current period (continued)

New and revised IFRS	Summary
Amendments to IAS 1 *Presentation of Financial Statements* relating to Non-current Liabilities with Covenants	The amendment clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.
Amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures* relating to Supplier Finance Arrangements	The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.

Other than the above, there are no other significant IFRSs and amendments that were effective for the first time for the financial year beginning on or after 1 January 2024.

3.2 New and revised IFRS Accounting Standards in issue but not yet effective and not early adopted

At the date of authorisation of these condensed interim consolidated financial statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

New and revised IFRSs	Effective for annual periods beginning on or after
Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates* relating to Lack of Exchangeability The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.	1 January 2025
Amendments to the SASB (Sustainability Accounting Standards Board) standards to enhance their international applicability The amendments remove and replace jurisdiction-specific references and definitions in the SASB standards, without substantially altering industries, topics or metrics.	1 January 2025
IFRS 18 *Presentation and Disclosures in Financial Statements* IFRS 18 includes requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.	1 January 2027

3. Material accounting policy information (continued)

3.2 New and revised IFRS Accounting Standards in issue but not yet effective and not early adopted (continued)

New and revised IFRSs	Effective for annual periods beginning on or after
Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures (2011)* The amendments relate to the treatment of the sale or contribution of assets from an investor to its associate or joint venture	Effective date deferred indefinitely. Adoption is still permitted.

The Group anticipates that these new standards, interpretations and amendments will be adopted in the Group's condensed interim consolidated financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments is not expected to have a material impact on the condensed interim consolidated financial statements of Group in the period of initial application.

3.3 Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements for the year ended 31 December 2023.

4. Right-of-use assets

	31 March 2024 (Unaudited)	31 December 2023 (Audited)
	AED'000	AED'000
Right-of-use assets - Properties	99,599	92,031

The movement of right-of-use assets during the three-month period:

	(Unaudited)
	AED'000
At 1 January 2024	92,031
Additions	23,159
Depreciation expense	(15,591)
At 31 March 2024	99,599

5. Property and equipment

	Furniture and fixtures	Computers, software, and office equipment	Motor vehicles	Capital work in progress	Total
	AED'000	AED'000	AED'000	AED'000	AED'000
31 December 2023					
Cost	129,563	87,796	13,247	1,572	232,178
Accumulated depreciation	(94,434)	(60,404)	(5,414)	-	(160,252)
Net book value as at 31 December 2023 (audited)	35,129	27,392	7,833	1,572	71,926
For the three-month period					
Additions	1,301	1,869	1,362	3,045	7,577
Transfer from capital work in progress	1,572			(1,572)	-
Disposals	(246)	(15)	-	-	(261)
Depreciation	(3,367)	(3,019)	(588)	-	(6,974)
Net book value as at 31 March 2024	34,389	26,227	8,607	3,045	72,268
31 March 2024 (Unaudited)					
Cost	130,732	87,287	14,609	3,045	235,673
Accumulated depreciation	(96,343)	(61,060)	(6,002)	-	(163,405)
Net book value	34,389	26,227	8,607	3,045	72,268

6. Cash in hand and in transit, due from banks, exchange houses and agents

	31 March 2024 (Unaudited)	31 December 2023 (Audited)
	AED'000	AED'000
Cash in hand and in transit		
Cash in hand	995,111	1,099,158
Cheques on hand	38,922	26,175
Cash in transit	21,100	12,451
Total amount of cash in hand and in transit	1,055,133	1,137,784
Due from banks		
Balances with banks in UAE		
- Current accounts	1,055,386	895,106
- Fixed deposits	336,730	336,730
- Advances to banks against credit card collections	4,443	7,739
- Credit card receivables	45,081	31,228
	1,441,640	1,270,803
Balances with banks outside UAE		
- Current accounts	284,988	312,766
	284,988	312,766
Less: Provision for expected credit losses (note 6.2)	(4,790)	(6,240)
	280,198	306,526
Total amount due from banks	1,721,838	1,577,329
Due from exchange houses and agents		
Balances with exchange houses and agents inside UAE	106	99
Balances with exchange houses and agents outside UAE	79,548	46,264
	79,654	46,363
Less: Provision for expected credit losses (note 6.2)	(1,450)	-
Total amount due from exchange houses and agents	78,204	46,363
Total balance of cash in hand and in transit, due from banks, exchange houses and agents (note 6.3)	2,855,175	2,761,476

6. Cash in hand and in transit, due from banks, exchange houses and agents (continued)

6.1. Amounts due from banks, exchange houses and agents are regularly assessed for credit quality having regard to their credit ratings assigned by international or respective country's rating agencies and the country risk.

	31 March 2024 (Unaudited)	31 December 2023 (Audited)
	AED'000	AED'000
Assessed high rated externally (A1-Baa3)	1,568,986	1,391,871
Assessed medium to low rated externally (Ba3-B1)	29,863	19,305
Assessed very low rated externally (Caa1-C)	32,935	38,546
Unrated externally, assessed high rated internally	56,652	78,045
Unrated – others	117,846	102,165
	1,806,282	1,629,932

6.2. The movement for provision for expected credit losses during the three-month period:

	Due from banks (Stage 1)	Due from exchange houses and agents (Stage 3)	Total
	AED'000	AED'000	AED'000
As at 1 January 2024 (Audited)	6,240	-	6,240
Provision/(Reversal) during the period	(1,450)	1,450	-
As at 31 March 2024 (Unaudited)	4,790	1,450	6,240

6.3 Due to the nature of the Group's business, the ageing of amounts due from banks, exchange houses and agents, other than fixed deposits and fully impaired balances in stage 3, is within 30 days.

7. Related party transactions

The Group enters into transactions with other entities that fall within the definition of a related party as defined in the International Accounting Standard 24: *Related Party Disclosures.*

Related parties comprise parent company, jointly controlled, or significantly influenced entities (together referred as "Group entities"), shareholders, directors, key management personnel and their associated entities.

7. Related party transactions (continued)

These transactions are entered into in the normal course of business and mainly include foreign exchange and remittance arrangements and rental of premises. Management decides on the terms and conditions of the transactions and services received or rendered from / to related parties based on arm's length principle.

The significant transactions included in these condensed interim consolidated financial statements are as follows:

	Three-month period ended 31 March	
	2024 (Unaudited)	2023 (Unaudited)
	AED'000	AED'000
Transactions with related parties (companies under common control)		
Commission and exchange income earned – Al Ansari Exchange Co. WLL, Kuwait	568	903
Right of use asset for head office lease - Al Ansari Real Estate LLC (a)	-	20,031
Finance Cost and depreciation	1,102	1,234

7.1 Due from / to related parties (companies under common control)

	31 March 2024 (Unaudited)	31 December 2023 (Audited)
	AED'000	AED'000
Due from related parties		
Group entities	12,089	22
Due to related parties		
Group entities	1,559	4,163

Due from related parties represents unsecured interest free current accounts which have arisen in the normal course of business. The expected credit loss on the amount due from related parties is immaterial.

Due to related parties represents unsecured interest free current accounts which have arisen in the normal course of business.

7. Related party transactions (continued)

7.2 Directors' remuneration

During the period, the Company, based on shareholders' approval in the general assembly meeting held on 19 March 2024, has paid AED 0.623 million (2023: nil) in respect of Directors' remuneration and fees for attending meetings.

7.3 Key management personnel

The total amount of compensation paid to key management personnel during the period is as follows:

	Three-month period ended 31 March	
	2024 (Unaudited)	2023 (Unaudited)
	AED'000	AED'000
Salaries and other benefits	3,568	3,304

Key management personnel include the Group's Chief Executive Officer, Group's Deputy Chief Executive Officer, Group's Chief Financial Officer, Group's C-Suite officers, and other department heads.

8. Prepayments and other receivables

	31 March 2024 (Unaudited)	31 December 2023 (Audited)
	AED'000	AED'000
Bills receivable	28,384	22,363
Security deposits	21,080	17,966
Commissions and incentives receivables	16,451	28,782
Positive value of overnight foreign currency forwards	13,043	12,053
Deposit with tax authorities (note 8.1)	11,827	12,801
Prepaid expenses	9,787	8,722
Commission income receivable in relation to WPS	155	161
Other receivables (note 8.2)	13,284	14,606
	114,011	117,454

8. Prepayments and other receivables (continued)

8.1 Deposit with tax authorities

Tax assessment for tax periods from January 2018 to January 2019 – AED 6.53 million

During the year 2020, the Federal Tax Authority ("FTA") had assessed that the share of income received from sending agents in relation to inward remittances is subject to standard rate of value added tax ("VAT"). Accordingly, FTA had assessed short payment of VAT by the Group and related penalties amounting to AED 9.43 million based on the view that the recipients of the service reside in UAE. In 2021, the FTA reduced its original assessment to AED 6.53 million. The Group is of the view that receipt of such income should be zero rated in accordance with VAT regulations since the services are provided to the sending agents who are non-resident persons at the time of providing such services and filed an appeal with the Federal Court of First Instance.

The Federal Court of First Instance and the Federal Court of Appeal decided the matter in favour of the Group, however, the FTA filed an appeal against the decisions of the Courts. On 22 November 2023, the Federal Supreme Court decided the matter in favour of the Group. Accordingly, the Group has filed an execution writ on 12 March 2024 with the Court of First Instance for the refund of the said amount.

Voluntary disclosures filed for tax periods from February 2019 to October 2020 – AED 5.30 million

In view of the above-mentioned tax assessment and to avoid further penalties, the Group had filed voluntary disclosures in 2021 for tax periods from February 2019 to October 2020 and additionally paid AED 5.30 million (VAT and related penalties). Following the verdict in its favour, the Group is currently considering its legal position in relation to filing the case for recovery of the said amount.

Voluntary disclosures filed for tax periods from January 2018 to January 2019 – AED 0.97 million

In relation to the voluntary disclosures filed as a result of applying incorrect apportionment formula, the Federal Court of First Instance and Federal Court of Appeal decided the matter against the Group, against which the Group had filed an appeal with Federal Supreme Court, which has upheld the decision of the previous Courts.

8.2 Other receivables

Other receivables are primarily related to counterparties in the UAE. The expected credit loss on other receivables is insignificant.

9. Lease liabilities

	31 March 2024 (Unaudited)	31 December 2023 (Audited)
	AED'000	AED'000
Non-current	41,938	44,550
Current	40,315	38,146
	82,253	82,696

The movement of lease liabilities is provided below:

	(Unaudited)
	AED'000
As at 1 January 2024	82,696
Additions	23,159
Finance cost on lease liabilities	1,074
Payments	(24,676)
As at 31 March 2024	82,253

10. Trade and other payables

	31 March 2024 (Unaudited)	31 December 2023 (Audited)
	AED'000	AED'000
Travel card payables (note 10.1)	223,859	213,044
Remittances payable (note 10.2)	160,946	122,500
Payable balances in relation to WPS	199,827	167,667
Bills payables	46,539	32,373
Accrued expenses	49,384	59,795
Corporate income tax payable (note 17)	9,766	-
Other payables	156,763	146,724
	847,084	742,103

10.1 Travel card payables represent money loads from customers which are placed with Abu Dhabi Islamic Bank and exclusively used for settlements to Visa International upon spending by the customers.

10.2 Represents pending settlements to beneficiaries for the remittances made by the customers.

11. Dividends payable

The Shareholders, in the general assembly meeting held on 19 March 2024, have approved the distribution of cash dividend amounting AED 300 million being 4 fils per share (2023: nil). This amount was paid subsequent to the period-end on 16 April 2024.

12. Bank borrowings

	31 March 2024 (Unaudited)	31 December 2023 (Audited)
	AED'000	AED'000
Bank overdraft - secured (note 12.1)	200,000	325,000
	200,000	325,000

12.1 Bank overdraft

The Group has arranged secured bank overdraft facilities with various banks for AED 350 million (31 December 2023: AED 350 million) and unsecured bank overdraft facilities for AED 400 million (31 December 2023: AED 350 million). These facilities are available to meet the working capital requirements of the Group and carry variable interest rates plus fixed margins. These facilities are repayable on demand and the secured bank overdraft facilities are secured by account pledge over the margin deposits placed by the Group or the Parent Company.

As on the reporting date, the Group had un-utilised bank overdraft facilities of AED 550 million (31 December 2023: AED 375 million).

12.2 Term Loan

On 24 November 2022, the Group arranged a term loan facility of AED 1,000 million, subsequently reduced to AED 500 million on 12 June 2023, from a local commercial bank for a period of three years with an initial drawdown of AED 300 million against the facility on 29 December 2022. The facility can be drawn in multiple tranches whereby each tranche is repaid in full along with the interest within 90 days of utilisation, with an option to rollover the principal amount throughout the term. As per the facility agreement, each drawdown should be secured by way of pledge over fixed deposits for a similar amount by the Group or the Parent Company and carries interest at three-month EIBOR plus a fixed margin per annum.

As on the reporting date, term loan facility was not utilized.

13. Contingencies and commitments

	31 March 2024 (Unaudited)	31 December 2023 (Audited)
	AED'000	AED'000
Contingent liabilities		
Guarantees issued by banks in favour of:		
CBUAE	235,000	235,000
Financial institutions for correspondent relationships (note 13.1)	11,826	11,826
Total guarantees arranged and issued	**246,826**	**246,826**

13.1 The Group has arranged guarantees from local commercial banks, drawn in favour of certain correspondent banks and business partners as required under the terms of the respective correspondent arrangements.

13.2 The commitment in respect of capital expenditure incurred as at 31 March 2024 amounts to AED 2.14 million (31 December 2023: AED 1.33 million).

14. Share capital

As at 31 March 2024, the authorised issued and fully paid share capital of the Company comprised 7,500,000,000 ordinary shares of AED 0.01 each (31 December 2023: 7,500,000,000 ordinary shares of AED 0.01 each).

15. Acquisition reserve

On 1 January 2018, the Company had entered into an equity acquisition arrangement with its shareholders, whereby all the shareholders transferred their individual equity interest in the Group entities to the Company.

The fair value of the net assets that were acquired at the effective date of control was treated as Acquisition reserve, a reserve distributable to the shareholders, as there was no consideration paid to shareholders.

16. Salaries and benefits

	Three-month period ended 31 March	
	2024 (Unaudited)	2023 (Unaudited)
	AED'000	AED'000
Salaries and wages (Note 16.1)	90,319	81,343
Staff bonuses and incentives	5,390	9,111
Leave salary and air tickets	9,595	8,468
Employees' end of service benefits	1,998	1,881
Other benefits	11,211	6,619
	118,513	107,422

16.1 Salaries and wages include AED 0.623 million (2023: nil) paid to the Directors in respect of their remuneration and fees for attending meetings (note 7.2).

17. Corporate income tax expense

On 3 October 2022, the UAE Ministry of Finance ("MoF") issued Federal Decree- Law No 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax ("CT") Law to implement a new CT regime in the UAE. The new CT regime is applicable for accounting periods beginning on or after 1 June 2023. Generally, UAE businesses are subject to a 9% CT rate for taxable income exceeding AED 375,000.

Corporate Income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the year ended 31 December 2024 is 9% (2023: nil).

Further, the management has concluded that there is no deferred tax impact on the reporting date.

18. Basic and diluted earnings per share

	Three-month period ended 31 March	
	2024 (Unaudited)	2023 (Unaudited)
Net profit for the period attributable to the shareholders (AED '000)	98,744	133,009
Weighted average Number of ordinary shares during the year ('000)	7,500,000	7,500,000
Basic and diluted earnings per share (AED)	0.0132	0.0177

19. Cash and cash equivalents

	31 March 2024 (Unaudited)	31 December 2023 (Audited)	31 March 2023 (Unaudited)
	AED'000	AED'000	AED'000
Cash in hand and in transit	1,055,133	1,137,784	877,331
Due from banks - gross	1,726,628	1,583,569	1,516,854
Due to banks	(38,980)	(20,376)	(21,316)
	2,742,781	2,700,977	2,372,869
Less:			
Fixed deposits with an original maturity longer than three months	(36,730)	(36,730)	(91,735)
Total cash and cash equivalents	2,706,051	2,664,247	2,281,134

20. Reporting segments

For management purposes, the Group is organised into business units based on relevant business activity and accordingly there is only one reportable segment as of 31 March 2024:

- **Money Exchange and Remittances:** the Group primarily provides cross-border and domestic remittances, purchase and sale of foreign currencies, processing of salaries, bill collections and sale of prepaid travel cards. The Group provides these services to its customers through a wide branch network, digital channels and smart counters.

The Senior Management Committee is the Chief Operating Decision Maker ("CODM") and monitors the segment results for the purposes of making decisions in relation to resource allocation and performance assessment.

For the three-month ended 31 March 2024 (Unaudited)

	Money exchange & remittances	Others	Segment Total
	AED'000	AED'000	AED'000
Revenue	279,537	6,029	285,566
Expenses			
Salaries and benefits, general, administrative and other expenses	(172,079)	(4,977)	(177,056)
Profit before corporate income tax for the period	107,458	1,052	108,510
Corporate income tax expense	(9,671)	(95)	(9,766)
Profit after tax for the period	97,787	957	98,744

20. Reporting segments (continued)

For the three-month ended 31 March 2023 (Unaudited)

	Money exchange & remittances	Others	Segment Total
	AED'000	AED'000	AED'000
Revenue	291,224	1,775	292,999
Expenses			
Salaries and benefits, general, administrative and other expenses	(158,671)	(1,319)	(159,990)
Profit before corporate income tax for the period	132,553	456	133,009
Corporate income tax expense	-	-	-
Profit after tax for the period	132,553	456	133,009

The Group generates all its revenue from the UAE and all non-financial assets are located in the UAE.

21. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Company.

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of cash in transit, due from banks, due from exchange houses and agents, due from related parties and other receivables. Financial liabilities consist of trade and other payables, due to banks, due to exchange houses and agents, due to related parties, bank borrowings and lease liabilities.

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities that the Company can access at the measurement date.

21. Fair value measurement (continued)

Fair value hierarchy (continued)

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The carrying amounts of financial assets and financial liabilities approximate their fair values.

Other receivables include forward contracts which are valued based on the difference between the contractual forward rate and forward rate determined on the reporting date.

22. Litigations

The Group is subject to certain other litigations in the normal course of its business. The Group expects that the outcome of these legal cases will not have a material impact on the Group's condensed interim consolidated financial performance or condensed interim consolidated financial position.

23. Subsequent events

There are no significant events after the reporting period, other than the disclosure in note 11, that would require adjustment or disclosure in these condensed interim consolidated financial statements.