

**FLOATING CITY MAIN OWNERS  
ASSOCIATION (OWNERS ASSOCIATION)  
Kingdom of Bahrain**

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT  
For the period ended March 31, 2023**



**FLOATING CITY MAIN OWNERS ASSOCIATION (OWNERS ASSOCIATION)**

**Kingdom of Bahrain**

**FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT**  
**For the period ended March 31, 2023**

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**FLOATING CITY MAIN OWNERS ASSOCIATION (OWNERS ASSOCIATION)**

**Company Information**

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**Registration No.:** 78424001

**Registered Address:** Flat no: 5, Building no: 103, Road: 59, Block: 257, Amwaj, Kingdom of Bahrain

**Financial year ending:** 31/03/2023

**Activities:** Real Estate Activities With Own or Leased Property

**Chairman:** Mahmood Yusuf Al Mahmood  
**Vice Chairman:** Konstantinos Tskias  
**Secretary:** Yusuf Hasan Saleh Alsobaiei  
**Treasurer:** Majeed Khalil Bader  
**Board Member:** Abdulla Said Alharthy  
**Board Member:** Fawaz Humood Mohamed Ali  
**Board Member:** Khalil Ebrahim Ali Ahmed Ali Aali  
**Board Member:** Khalil Ali Abalhasan Husain Aseeri  
**Board Member:** Declan Joseph Gaynor

**Bankers:** Ithmaar Bank

**Auditors:** Quantum Auditing Saeed and Dinesh Chartered Accountants - Foreign Branch



## MANAGEMENT REPORT AND DISCUSSION ANALYSIS

The Management has pleasure in presenting the report and audited financial statements for the year ended 31st March 2023.

### FINANCIAL HIGHLIGHTS OF FLOATING CITY MAIN OWNERS ASSOCIATION (OWNERS ASSOCIATION) IN 2022 - 2023:

During the period under review, the company achieved a turnover of BD. 46,026 -. Movement of Retained earnings during the year ended March 31, 2023 was as follows:

	<b>BD</b>
<b>Total revenue for the period</b>	<b>46,026</b>
Net loss for the period	(31,954)
Retained earnings brought forward	93,643
Transferred to Statutory reserve	-
Retained earnings carried forward	<b>61,689</b>

### PRINCIPAL ACTIVITY

The principal activities of the Establishment are Real Estate Activities With Own or Leased Property.

### FINANCIAL REVIEW

The details of assets and liabilities, performance, shareholders' equity and cash flow for the year ended March 31, 2023 under review are set out on page 8,9,10,11 of the financial statements, respectively.

### CHANGES IN BOARD MEMBERS

There are no changes in Board members during the year 2022 - 2023.

### EVENTS AFTER THE REPORTING PERIOD

There are no significant events after the reporting period.



### Declaration based on Ministerial Order Number 103 of 2021

We declare that we have not dealt in any manner with persons named in the list of United Nations Security Council Resolutions during the year ended 31 March 2023, and that we have complied with all the obligations of Ministerial Order No. 103 of 2021 related to the procedures of the prohibition and combating of Money Laundering and Terrorism.

### AUDITORS

The financial statements have been audited by Quantum Auditing Saeed and Dinesh Chartered Accountants - Foreign Branch, Office 63, Level 6, Al Sharfa Tower 1, Building 743, Road 3616, Block 436, Seef District, Kingdom of Bahrain, who retire and, being eligible, offer themselves for reappointment.

### ACKNOWLEDGEMENTS

The Board Members take this opportunity to convey their deep sense of gratitude for valuable assistance and co-operation extended to the company by all valued Customers, Bankers and various departments of government and local authorities.

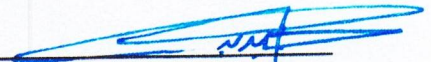
The Board Members also wish to place on record their sincere appreciation for the valued contribution, unstinted efforts and spirit of dedication shown by the Company employees, officers and the executives at all levels.

For

**FLOATING CITY MAIN OWNERS ASSOCIATION (OWNERS ASSOCIATION)**



**MAHMOOD YUSUF AL MAHMOOD**  
**AUTHORIZED SIGNATORY**  
14-05-23



**MAJEED KHALIL BADER**  
**AUTHORIZED SIGNATORY**



## **Independent Auditors' Report**

**To The Management of FLOATING CITY MAIN OWNERS ASSOCIATION (OWNERS ASSOCIATION) Bahrain**

### **Key Audit Matters**

We have determined that there are no Key Audit Matters to communicate in our report.

### **Other information**

Management is responsible for the other information. The other information comprises the Directors' Report which we obtain prior to the date of this auditor's report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### **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 IFRSs 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.

### **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.

A further description of the auditor's responsibilities for the audit of the financial statements is presented in the Appendix to this report. This description forms part of our auditor's report.

## Independent Auditors' Report

To The Management of FLOATING CITY MAIN OWNERS ASSOCIATION (OWNERS ASSOCIATION) Bahrain

### Report on Anti- Money Laundering and Terrorism Financing Requirements

Further, As required by the Bahrain commercial companies Law, Ministerial Resolution Number 103 of 2021, we have examined the internal controls, systems of the Company as well as policies & procedures relevant to detecting and reporting of suspicious transactions, in addition to systems and procedures relevant for customer/Client identification

- I. To the best of our knowledge and belief we report that:
- The Company maintains proper internal control systems and procedures sufficient of monitoring and reporting of suspicious or extraordinary transactions.
  - The Company holds sufficient measures and internal procedures relevant to verifying the identity of its customers and
  - The Company had reported all suspicious or extraordinary transaction conducted during the financial year ended 31st March 2023.
  - The Company has no relationship of any kind with any individual(s) or organization(s) listed in the United Nations Security Council Resolution or Domestic list.
- II. We report that we were not aware of any violations to the Ministerial order (103) of 2021 concerning the Obligations related to the Procedures of the Prohibition of and Combating Money Laundering and Terrorism Finance in the Business of the Persons Registered in the Commercial Register and the Audit Registry in the Kingdom of Bahrain

### Report on Other Legal and Regulatory Requirements

We have obtained all the information and explanations we required for the purpose of our audit, and to the best of our knowledge and belief, there is no breach of any of the applicable provisions of the Bahrain Commercial Companies Law, the Central Bank of Bahrain Rule Book or the terms of the Company's Memorandum and Articles of Association that would have a material adverse effect on the Company's business or its financial position.

For QUANTUM AUDITING SAEED AND DINESH CHARTERED ACCOUNTANTS -  
(Foreign Branch)

Dinesh Singh  
Managing Partner  
Auditor Regn. No. 248  
Manama, Kingdom of Bahrain  
14 May 2023  
Ref. # 103/FLOATING AFS/2023



## Appendix to the Independent Auditor's Report

### To The Management of FLOATING CITY MAIN OWNERS ASSOCIATION (OWNERS ASSOCIATION) Bahrain

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.



FLOATING CITY MAIN OWNERS ASSOCIATION (OWNERS ASSOCIATION)  
Kingdom of Bahrain

Statement of Financial Position  
As at March 31, 2023  
(Expressed In Bahraini Dinars)

	Notes	As at March 31, 2023	As at March 31, 2022
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	-	-
<b>Total Non-current assets</b>		-	-
<b>Current Assets</b>			
Cash and bank balance	7	14,559	20,015
Accounts receivable	8	91,623	106,797
Other receivables	8	2,953	-
Inventory	9	-	-
Due from related party	10	-	-
<b>Total current assets</b>		<b>109,135</b>	<b>126,812</b>
<b>Total assets</b>		<b>109,135</b>	<b>126,812</b>
<b>Liabilities and Owner's Fund</b>			
<b>Owner's Fund</b>			
Sinking Fund	15	14,158	14,158
Retained earnings	16	61,689	93,643
<b>Total owner's fund</b>		<b>75,847</b>	<b>107,801</b>
<b>Non-current liabilities</b>			
Provision for employees' end of service benefits	13	-	-
Term Loans	14	-	-
<b>Total Non-current liabilities</b>		-	-
<b>Current liabilities</b>			
Term Loans	14	-	-
Accounts payable	11	-	-
Accruals and other payables	11	33,288	19,011
Due to related party	10	-	-
<b>Total current liabilities</b>		<b>33,288</b>	<b>19,011</b>
<b>Total liabilities and owner's fund</b>		<b>109,135</b>	<b>126,812</b>

The accompanying notes form an integral part of these financial statements.  
The report of the Auditors is set out on pages 4 to 7

The financial statements on pages 8 to 27 were approved and signed by the Authorised Signatories on  
May 14, 2023

MAHMOOD YUSUF AL MAHMOOD  
AUTHORIZED SIGNATORY



MAJEED KHALIL BADER  
AUTHORIZED SIGNATORY



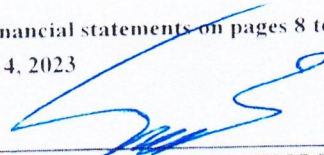
FLOATING CITY MAIN OWNERS ASSOCIATION (OWNERS ASSOCIATION)  
Kingdom of Bahrain

Statement of Comprehensive Income  
For the period ended March 31, 2023  
(Expressed In Bahraini Dinars)


	Notes	For the period from April 1, 2022 to March 31, 2023	For the period from April 1, 2021 to March 31, 2022
Revenue	18	46,026	155,457
Cost of revenue	19	(53,522)	(39,101)
<b>Gross profit</b>		<b>(7,496)</b>	<b>116,356</b>
General and administrative expenses	20	(26,086)	(8,544)
Staff cost & Benefits	21	-	-
Financial charges	22	-	(11)
Depreciation	6	-	-
<b>Profit/(Loss) from operating activities</b>		<b>(33,582)</b>	<b>107,801</b>
Other income	23	1,628	-
<b>Profit/(Loss) before director's remuneration</b>		<b>(31,954)</b>	<b>107,801</b>
Director's remuneration	24	-	-
Allocation to Sinking Funds	15	-	(14,158)
<b>Net Profit/(Loss) for the period</b>		<b>(31,954)</b>	<b>93,643</b>

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FLOATING CITY MAIN OWNERS ASSOCIATION (OWNERS ASSOCIATION)  
Kingdom of Bahrain

Statement of Changes in Shareholders' Equity  
For the period ended March 31, 2023  
(Expressed In Bahraini Dinars)

	<u>Sinking Fund</u>	<u>Retained Earnings</u>	<u>Total</u>
<i>Changes in shareholders' equity:</i>			
As at April 1, 2021	-	-	-
a) Net profit / loss for the period	-	93,643	93,643
b) Transfer to Statutory Reserve	14,158	-	14,158
c) Net movement	-	-	-
As at March 31, 2022	<b>14,158</b>	<b>93,643</b>	<b>107,801</b>
a) Net profit / loss for the period	-	(31,954)	(31,954)
b) Transfer to Statutory Reserve	-	-	-
c) Net movement	-	-	-
As at March 31, 2023	<b>14,158</b>	<b>61,689</b>	<b>75,847</b>

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FLOATING CITY MAIN OWNERS ASSOCIATION (OWNERS ASSOCIATION)  
Kingdom of Bahrain

Statement of Cash Flows  
For the period ended March 31, 2023  
(Expressed In Bahraini Dinars)

	For the period from April 1, 2022 to March 31, 2023	For the period from April 1, 2021 to March 31, 2022
<b>Cash flows from operating activities:</b>		
Net profit (loss) for the period	(31,954)	93,643
Depreciation	-	-
<b>Operating profit before changes in operating assets and liabilities</b>	<b>(31,954)</b>	<b>93,643</b>
(Increase) decrease in accounts receivable	15,174	(106,797)
(Increase) decrease in other receivable	(2,953)	-
(Increase) decrease in inventory	-	-
(Increase) decrease in due from related parties	-	-
Increase (decrease) in accounts payables	-	-
Increase (decrease) in other payables	14,277	19,011
Increase (decrease) in Bank Borrowings	-	-
Increase (decrease) in due to related parties	-	-
Increase (decrease) in provision for employees' end of service benefits	-	-
<b>Net cash used in operating activities</b>	<b>(5,456)</b>	<b>5,857</b>
<b>Cash flow from investing activities</b>		
Property, plant and equipment	-	-
<b>Net cash from investing activities</b>	<b>-</b>	<b>-</b>
<b>Cash flow from financing activities</b>		
Capital introduced at inception	-	-
Unsecured loans	-	-
Net movement in Term loan	-	-
Net movement in Sinking fund contributions	-	14,158
Net movement in Owner's current account	-	-
<b>Net cash from financing activities</b>	<b>-</b>	<b>14,158</b>
<b>Net increase in cash and cash equivalents</b>	<b>(5,456)</b>	<b>20,015</b>
Cash and cash equivalents, beginning of the period	20,015	-
Cash and cash equivalents, end of the period	<b>14,559</b>	<b>20,015</b>
<b>Represented by:</b>		
Cash and bank balance	14,559	20,015
	<b>14,559</b>	<b>20,015</b>

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**FLOATING CITY MAIN OWNERS ASSOCIATION (OWNERS ASSOCIATION)**  
**Kingdom of Bahrain**

**Notes to the Financial Statements**

**For the period from April 1, 2022 to March 31, 2023**

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**1 Legal status and Business activity:**

- 1.1 Floating City Main Owners Association (the Association) is registered with the Information and E-government Authority, Kingdom of Bahrain under registration number 78424001.
- 1.2 The principal activities of the establishment are Real Estate Activities With Own or Leased Property.
- 1.3 The registered office of the company is located at Flat no: 5, Building no: 103, Road: 59, Block: 257, Amwaj, Kingdom of Bahrain.
- 1.4 These financial statements incorporate the operating results of the registration number 7844001.
- 1.5 These financial statements cover the period from April 1, 2022 to March 31, 2023.

**2 Summary of Significant Accounting Policies**

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



**FLOATING CITY MAIN OWNERS ASSOCIATION (OWNERS ASSOCIATION)**  
**Kingdom of Bahrain**

**Notes to the Financial Statements**

**For the period from April 1, 2022 to March 31, 2023**

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**2.1 Basis of Preparation**

The financial statements are prepared on a going concern basis which assumes that the company will continue to operate as a going concern for the foreseeable future.

The financial statements have been prepared in accordance with International Financial Reporting Standards including International Accounting Standards and Interpretations, issued or adopted by the International Accounting Standards Board (IASB), Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and in conformity with the Bahrain Commercial Company 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 judgement 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. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

**New and amended standards and interpretations relevant to the Company**

Certain new standards and amendments have been issued and are effective from period as mentioned below:

- IAS 1 'Presentation of financial statements' (amendment): Disclosure initiative (effective from 1 January 2020)
- IAS 10 'Events after reporting period' (amendment) (effective from 1 January 2016)
- IAS 16 'Property, Plant and Equipment' (amendment): acceptable methods of depreciation and amortisation (effective from 1 January 2016)
- IAS 17 'Leases' superseded by IFRS 16 (effective from 1 January 2019)
- IAS 18 'Revenue' & IAS 11 'Construction Contracts' superseded by IFRS 15 (effective 1 January 2018)
- IAS 19 'Employee Benefits' (amendment): Plan Amendment, Curtailment or Settlement (effective from 1 January 2019)
- IAS 24 'Related Party Disclosures' (amendment) (effective from 1 July 2014)
- IAS 28 'Investments in Associates and Joint venture' (amendments): Long-term Interests in Associates and Joint Ventures (effective from 1 January, 2019)
- IAS 32 'Financial instruments Presentation' (amendment) (effective from 1 January 2014)
- IAS 36 'Impairment of Assets' (amendment) (effective from 1 January 2014)
- IAS 38 'Intangible Assets' (amendment): Clarification of acceptable methods of depreciation and amortisation (effective from 1 January 2016)
- IAS 39, 'Financial instruments: Recognition and measurement' (amendment): IFRS 9 replaced IAS 39 requirements for classification and measurement, impairment, hedge accounting and derecognition (effective from 1 January 2020)
- IFRS 3 'Business Combinations' (amendment): Definition of a Business (effective from 1 January 2020)



**FLOATING CITY MAIN OWNERS ASSOCIATION (OWNERS ASSOCIATION)**  
**Kingdom of Bahrain**

**Notes to the Financial Statements**

**For the period from April 1, 2022 to March 31, 2023**

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- IAS 40 'Investment Property' (amendment) (effective from 1 July 2018)
- IFRS 2 'Share based payment' (amendment): Classification and Measurement of Share-based Payment Transactions (effective from 1 January 2018)
- IFRS 7 'Financial Instruments- Disclosures' (amendment) (effective from 1 January 2020)
- IFRS 9 'Financial Instruments' (amendment): Prepayment Features with Negative Compensation (effective from 1 January 2019)
- IFRS 11 'Joint Arrangement' (amendment): Annual Improvements to IFRS Standards 2015–2017 Cycle (effective from 1 January 2019)
- IFRS 12 'Disclosure of Interests in Other Entities' (amendment) (effective from 1 January 2017)
- IFRS 15 'Revenue from contracts with customers' (effective from 1 January 2018)
- IFRS 16 'Leases' (amendment): Covid-19-Related Rent Concessions (effective from 1 January 2020)
- IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (amendment): Interest Rate Benchmark Reform (effective from 1 January 2021)

**New and revised IFRSs that are not mandatory (but allow the early application) for the year ending 31 March 2023, but have not been adopted, without significant impact on the business**

- IAS 1 'Presentation of Financial Statements' (amendment): Classification of Liabilities as Current or Non-Current & Disclosure of Accounting Policies (effective from 1 January 2023)
- IFRS 4 'Insurance contracts' will be superseded by IFRS 17 (effective from 1 January 2023)
- IAS 16 'Property, Plant and Equipment' (amendment): Proceeds before Intended Use (effective from 1 January 2022)
- IAS 37 Provisions, Contingent Liabilities and Contingent Assets (amendment): Onerous Contracts — Cost of Fulfilling a Contract (effective from 1 January 2022)
- IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' (amendment): Definition of Accounting Estimates (effective from 1 January 2023)
- IAS 12 'Income Taxes' (amendment): Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective from 1 January 2023)
- IFRS 3 'Business Combinations' (amendment): Reference to the Conceptual Framework (effective from 1 January 2022)
- IFRS 9 'Financial Instruments' (amendment): Annual Improvements to IFRS Standards 2018–2020 (fees in the '10 per cent' test for derecognition of financial liabilities) (effective from 1 January 2022)

**2.2 Foreign currency translation**

*a.* Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the company operates ("the functional currency"). The financial statements are presented in BD, which is the Companies functional & presentation currency.

*b.* Transactions and balances

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



### **2.3 Property, plant and equipment**

Property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the assets. Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred. Depreciation is calculated using the straight line method to allocate assets' cost to their residual values over their expected useful lives.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gain and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

### **2.4 Impairment of non-financial assets**

Assets that are subject to amortisation 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 assets carrying amount exceed its recoverable amount. The recoverable amount is the higher of an asset 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 that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

### **2.5 Financial assets**

The Company classifies its financial assets as 'loans and receivables'. Management determines the classification of its financial assets at initial recognition. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These are initially measured at fair value and are subsequently carried at amortised cost using the effective interest method. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period, if any, which are classified as non-current assets. The companies loans and receivables comprise of 'accounts and other receivables' (excluding prepayments) , 'cash and bank balances' and 'due from related party' in the statement of financial position.





**FLOATING CITY MAIN OWNERS ASSOCIATION (OWNERS ASSOCIATION)**  
**Kingdom of Bahrain**

**Notes to the Financial Statements**

**For the period from April 1, 2022 to March 31, 2023**

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**2.6 Financial liabilities**

The Company determines the classification of its financial liabilities at initial recognition.

Financial liabilities are recognised initially at fair value and subsequently carried at amortised cost using the effective interest method.

The companies financial liabilities include other payables.

**2.7 Impairment of financial assets**

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

**2.8 Accounts and other receivables**

Accounts receivables are amounts due from customers in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Accounts receivables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

**2.9 Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and balances held with banks.

**2.10 Share capital**

Ordinary shares are classified as equity.



**FLOATING CITY MAIN OWNERS ASSOCIATION (OWNERS ASSOCIATION)**  
**Kingdom of Bahrain**

**Notes to the Financial Statements**

**For the period from April 1, 2022 to March 31, 2023**

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**2.11 Employee benefits**

For Bahraini Nationals, the company makes contributions to the Social Insurance Organization (SIO). This is a funded defined contribution scheme and the company's contributions are charged to the financial statement of comprehensive income in the year to which they relate. The company's obligations are limited to the amounts contributed to the Scheme.

For Non – Bahraini employees the company provides for end of service benefits in accordance with the Bahrain Labour Law based on their salaries at the time of leaving and number of years of service. Provision for this unfunded commitment, which represents a defined benefit scheme, has been made by calculating the liability had all the employees left at the reporting date.

Employees are entitled to benefits based on the length of service and final remuneration. Accrued employees' terminal benefits are payable on termination of employment.

**2.12 Accounts and other payables**

Accounts payables are obligations to pay for goods or services that have been acquired in the 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.

**2.13 Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

**2.14 Revenue recognition**

Revenue comprises the fair value of the consideration received or receivable for rendering services in the ordinary course of the Company's activities. Revenue is shown net of discounts, returns and rebate allowed.

The Company recognises revenue when the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the Company and when specific criteria have been met for each of the Company's activities.



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**2.15 Leases**

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentive received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

**2.16 Offsetting financial assets**

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

**2.17 Inventories**

All inventories are stated at the lower of cost and net realizable value. Cost, which is computed on the weighted average basis, comprises expenditure incurred in the normal course of business in bringing inventories to their present location and condition. Net realizable value is the estimate of selling price in the ordinary course of business, less selling expenses. Where necessary, provision is made for obsolete, slow-moving and defective inventories.

**2.18 Sinking Fund**

Sinking fund represents the increase in the amount of members' subscription to cover unforeseen expenses and due to emergency reasons, provided that such increase may not exceed 10% of the annual subscription amount.

**3 Financial risk management**

**3.1 Financial risk factors**

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, price risk and cash flow and fair value interest rate risk), credit risk and liquidity risk. The overall risk management process focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the Company's financial performance.



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(a) Market risk

(i) Currency risk

The Company is not significantly exposed to currency risk as the majority of the company transactions are denominated in BD.

(ii) Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all the instruments traded in the market. The Company has no exposure to price risk as it has no price sensitive financial instruments.

(iii) Cash flow and fair value interest rate risk

The Company has no significant interest-bearing assets or liabilities and as such the Company's income and operating cash flows are substantially independent of changes in market interest rates.

(b) Credit risk

Credit risk is the risk of financial loss to the Company if the customer fails to meet its contractual obligations and arises principally from cash and cash equivalents and credit exposures to customers and related parties.

The Company has an established credit policy. For banks and financial institutions, only independently rated banks with certain minimum credit ratings are accepted. In case of customers, independent ratings are reviewed, if available. Otherwise, if there is no independent rating, the management assesses the credit quality of a customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the management. The ageing of the balances is regularly monitored.

The maximum exposure to credit risk at the reporting date represented by the carrying amounts of the financial assets classified as 'loans and receivables' is set out below:

<b>Loans and receivables</b>	In BHD
Accounts and other receivables (excluding prepayments)	91,623
Cash and bank balances	14,559
Due from related party	-
	<u>106,182</u>

The Company's exposure to concentration of credit risk is detailed in Note 7, 8 & 10.



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(c) **Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the availability of funding from related parties.

All financial liabilities have a maturity of less than twelve months from the end of the reporting period. Balances due within twelve months equal their carrying amount, as the impact of discounting is not significant.

**3.2 Capital risk management**

The company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders.

**3.3 Fair value estimation**

The fair value of the Company's financial assets and liabilities approximated their carrying amounts.

**4 Key judgements and source of estimation and uncertainty**

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

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

**Impairment of accounts receivables**

An estimate of the collectible amount of accounts receivables is made when the collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due, based on historic recovery rates.



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6 Property, plant and equipment

	Furniture & Fixtures	Total
<b>Cost</b>		
As at March 31, 2022	-	-
Additions	-	-
As at March 31, 2023	-	-
<b>Accumulated Depreciation</b>		
As at March 31, 2022	-	-
Charge for the period	-	-
As at March 31, 2023	-	-
<b>Net Book Value</b>		
As at March 31, 2023	-	-
As at March 31, 2022	-	-



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7 Cash and bank balance	2022 - 2023	2021 - 2022
	BD	BD
Cash in hand*	-	-
Cash at bank**	14,559	20,015
	<b>14,559</b>	<b>20,015</b>
Ithmaar Bank	14,559	20,015
	<b>14,559</b>	<b>20,015</b>

\* Cash in hand is taken as per the accounting system as on closing date.

\*\* Bank balance has been taken as per the Bank Confirmation Certificate as on the closing date.

The table below shows the credit quality of Company's banks with external counterparties.

Counterparty	Moody's rating	2022 - 2023	2021 - 2022
		BD	BD
Ithmaar Bank	NA	14,559	20,015
		<b>14,559</b>	<b>20,015</b>

8 Accounts & other receivables	2022 - 2023	2021 - 2022
	BD	BD
Accounts receivables (i)	91,623	106,797
Other receivables (ii)	2,953	-
	<b>94,576</b>	<b>106,797</b>

**(i) Accounts receivables**

Ageing of accounts receivables are as follows-	2022 - 2023	2021 - 2022
	BD	BD
<i>Unascertained</i>	91,623	106,797
<i>0 to 30 days</i>	-	-
<i>30 to 90 days</i>	-	-
<i>90 to 120 days</i>	-	-
<i>Above 120 days</i>	-	-
	<b>91,623</b>	<b>106,797</b>



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	<u>2022 - 2023</u>	<u>2021 - 2022</u>
	<b>BD</b>	<b>BD</b>
(ii) Other Receivables		
Prepaid expenses	2,953	-
	<u>2,953</u>	<u>-</u>

	<u>2022 - 2023</u>	<u>2021 - 2022</u>
	<b>BD</b>	<b>BD</b>
9 Inventories		
Stock of Trading items	-	-
	<u>-</u>	<u>-</u>

**10 Related party transactions and balances**

The Company enters into transactions with companies and entities that fall within the definition of a related party as contained in International Accounting Standards- 24 (IAS -24). Related parties comprise companies and entities under common ownership and/or common management and control; their partners and key management personnel.

The Company believes that the terms of such transactions are not significantly different from those that could have been obtained from third parties.

<u>Transactions with related parties</u>	<u>2022 - 2023</u>	<u>2021 - 2022</u>
	<b>BD</b>	<b>BD</b>
Transactions on account of sales	-	-
Transactions on account of purchases	-	-
Other transactions	-	-





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**Balances with related parties**

<b>Due from related party</b>	<b>2022 - 2023</b>	<b>2021 - 2022</b>
	<b>BD</b>	<b>BD</b>
Transactions (on account of Sales)	-	-
Loans	-	-
	<b>-</b>	<b>-</b>

<b>Due to related party</b>	<b>2022 - 2023</b>	<b>2021 - 2022</b>
	<b>BD</b>	<b>BD</b>
Transactions (on account of purchase)	-	-
Loans	-	-
	<b>-</b>	<b>-</b>

<b>11 Accounts &amp; other payables</b>	<b>2022 - 2023</b>	<b>2021 - 2022</b>
	<b>BD</b>	<b>BD</b>
Accounts payable	-	-
Accruals and Other payables (i)	33,288	19,011
	<b>33,288</b>	<b>19,011</b>

**(i) Other payables**

Accrued expenses	5,180	5,181
Advance from customers	522	-
Other payable	27,256	13,830
Professional fees payable	330	-
	<b>33,288</b>	<b>19,011</b>

**12 Financial instruments by category**

The accounting policies for financial instruments have been applied to the line items below:

	<b>2022 - 2023</b>	<b>2021 - 2022</b>
	<b>BD</b>	<b>BD</b>
<b>Loans and receivables</b>		
Accounts and other receivables (excluding prepayments)	91,623	106,797
Loans and Advances	-	-
Cash and bank balances	14,559	20,015
Due from related party	-	-
	<b>106,182</b>	<b>126,812</b>
<b>Other financial liabilities</b>		
Accounts and other payables	33,288	19,011
Due to related party	-	-
	<b>33,288</b>	<b>19,011</b>



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13 Provision for employees' end of service benefits	2022 - 2023	2021 - 2022
	BD	BD
Opening balance	-	-
Charge for the period	-	-
Payments/reversals during the period	-	-
Closing balance	-	-

14 Term Loans	2022 - 2023	2021 - 2022
	BD	BD
Non current portion	-	-
Current portion	-	-
	-	-

15 Sinking Fund	2022 - 2023	2021 - 2022
	BD	BD
Opening balance	14,158	-
Transfer to Sinking Fund	-	14,158
Closing balance	14,158	14,158

16 Retained earnings	2022 - 2023	2021 - 2022
	BD	BD
Opening balance	93,643	-
Net profit / loss for the period	(31,954)	93,643
Closing balance	61,689	93,643

17 Shareholder's current account	2022 - 2023	2021 - 2022
	BD	BD
Opening balance	-	-
Net movement	-	-
Closing balance	-	-



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	<b>2022 - 2023</b>	<b>2021 - 2022</b>
<b>18 Revenue</b>	<b>BD</b>	<b>BD</b>
Revenue	46,026	155,457
	<b>46,026</b>	<b>155,457</b>
<b>19 Cost of revenue</b>	<b>BD</b>	<b>BD</b>
Direct Expenses	53,522	39,101
	<b>53,522</b>	<b>39,101</b>
<b>20 General and administrative expenses</b>	<b>BD</b>	<b>BD</b>
Accounting Fees	3,316	825
Legal & Professional Charges	7,492	4,780
Management Fees	9,959	1,291
Bad Debt	319	-
Electricity Expenses	3,371	1,200
Telephone Expenses	125	27
Insurance Expenses	-	263
Miscellaneous Expenses	1,504	158
	<b>26,086</b>	<b>8,544</b>
<b>21 Staff Cost</b>	<b>BD</b>	<b>BD</b>
Salaries & benefits	-	-
	-	-



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22 Financial charges	2022 - 2023	2021 - 2022
	BD	BD
Finance Cost	-	-
Bank charges	-	11
	<u>-</u>	<u>11</u>

23 Other income	2022 - 2023	2021 - 2022
	BD	BD
Other income	1,628	-
	<u>1,628</u>	<u>-</u>

24 Director's Remuneration	2022 - 2023	2021 - 2022
	BD	BD
Director's Remuneration	-	-
	<u>-</u>	<u>-</u>

**25 Commitments**

At the reporting date, the Company does not have any outstanding commitments under non-cancellable operating lease for office space which fall due as follows:

	2022 - 2023	2021 - 2022
	BD	BD
Not later than 1 year	-	-
	<u>-</u>	<u>-</u>

**26 Contingent Liability and Capital Commitments**

Except for the ongoing 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 commitments on company's account as of statement of financial position date.

**27 Comparative Amounts**

Previous year's figures have been regrouped and reclassified where necessary.

**28 Level of Precision**

The figures in these financial statements have been rounded off to the nearest BD.

