

Floating City Main Owners Association
Kingdom of Bahrain

Financial Statements & Independent Auditors Report
For the year ended 31st March 2025.

Floating City Main Owners Association
Kingdom of Bahrain.

Financial Statements and Independent Auditors Report
For the year ended 31st March 2025.

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Floating City Main Owners Association
Kingdom of Bahrain.

Association Information

<i>Registration Number</i>	: 78424001
<i>Registered Office</i>	: Building No. 3390, Road No. 5726, Block No.257, Amwaj Kingdom of Bahrain.
<i>Financial year ended</i>	: 31 st March 2025
<i>Chairman</i>	: Shaikh Salman Ali Rashed Subah Al Khalifa
<i>Vice Chairman</i>	: Mr. Mahmood Yusuf Mahmood Abdulla Almahmood
<i>Secretary</i>	: Mr. Samer Abdulrahim Abdulla Alkhajeh
<i>Treasurer</i>	: Ms. Nawal Ali Ebrahim Salman Altaitoon
<i>Auditors</i>	: ASP Auditing – Bahraini Specialized Partnership Co. P.O. Box No: 5887 Diplomatic Area, Kingdom of Bahrain
<i>Principal Banker</i>	: Al Salam Bank Ithmaar bank

Board Member Report and Management Discussion and Analysis

The board member has pleasure in presenting the report and audited financial statements for the year ended 31st March 2025.

PRINCIPAL ACTIVITIES:

The board member is engaged in the activities of Real estate with own or leased property.

BUSINESS OPERATIONS REVIEW AND FUTURE BUSINESS DEVELOPMENT:

The Association has been in operation from 10th January 2022.

**FINANCIAL HIGHLIGHTS OF FLOATING CITY MAIN OWNERS' ASSOCIATION
PERFORMANCE IN 2025:**

- The board members achieved a Revenue of BHD. **251,394/-** for year ended 31st March 2025 as compared to BHD. 357,008/- for the previous period ended 31st March 2024.
- The board member posted an Excess of Income over Expenditure of BHD. **106,850/-** for year ended 31st March 2025 as against an Excess of Income over Expenditure of BHD. 59,388/- in the previous period ended 31st March 2024.
- The board member experienced a smooth cash flow throughout the financial year and concluded with the liquidity in cash and bank balance equivalent worth BHD. **76,433/-**

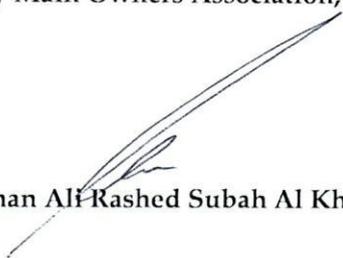
ANTI- MONEY LAUNDERING AND TERRORISM FINANCING REQUIREMENTS

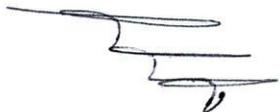
We here by confirm that there is no relationship of any kind occurred during the financial year ended 31st March 2025 with any of the persons or organizations whose names appears in the list of UN sanctions and the domestic list, in addition to declare about fulfilling all the obligations stipulated in the ministerial resolution No.103 of 2021.

AUDITORS:

The Auditors, M/s. ASP Auditing Bahraini Specialized Partnership Co., Kingdom of Bahrain are eligible for re-appointment and have expressed their willingness to continue as Auditors for the next year.

For Floating City Main Owners Association,


Mr. Shaikh Salman Ali Rashed Subah Al Khalifa
(Chairman)


Ms. Nawal Ali Ebrahim Salman Altaitoon
(Treasurer)

November 06, 2025.

To,
The Board Members,
M/s. Floating City Main Owners Association,
Kingdom of Bahrain.

Independent Auditor's Report

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of M/s. Floating City Main Owners Association, Kingdom of Bahrain which comprises the statement of financial position as at 31st March 2025, the statement of income and expenditure and other comprehensive income, statement of changes in Fund and statement of cash flows for the year ended 31st March 2025, and notes to the financial statements including significant Accounting Policies.

In our opinion, except for the matters described in the basis for qualified opinion the accompanying financial statements present fairly, in all material respects, the financial position of the association as at 31st March 2025, its financial performance, changes in Funds and its cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRSs)

Basis for Qualified Opinion

We draw an attention to the note no.6, of the financial statements which describes that the Company's receivables include amounts to the extent of BHD. 234,939 outstanding for more than one year. Management has not assessed these receivables for impairment nor recognized any provision in the financial statements. In our view, this is not in compliance with the requirements of IFRS 9 – Financial Instruments, which requires an entity to measure expected credit losses on financial assets. Had management recognized the necessary impairment provision, the trade receivables and profit for the year would have been reduced accordingly.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor Responsibilities for the Audit of the Financial Statements section of Our Report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the code of Ethics for Professional Accountants issued by the International Ethics Standard Board for Accountants (IESBA), and we have fulfilled our other ethical responsibilities in accordance with the code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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ص ب: ٥٨٨٧، المنطقة الدبلوماسية، مملكة البحرين، هاتف: ٥٢٣٦ ١٧٣٤ ٩٧٣، متحرك: ٩١٩١ ٣٢٠ ٩٧٣

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Other Information

The Board of Association is responsible for the other information. The other information obtained at the date of this auditors' report is the Chairman's report set out on page 2 and 3.

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 on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance ("TCWG") for the Financial Statements

Association Board Members is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, 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, Association Board Members is responsible for assessing the association 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 association or to cease operations or has no realistic alternative but to do so.

Those Charged with Governance are responsible for overseeing the Association's financial reporting process.

Materiality

In Planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and evaluate the impact of misstatements identified.

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We use the performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes.

Auditors' responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an Audit 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 to be 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 association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosure made by management.

- Conclude on the appropriateness of Board Members use of going concern basis of accounting and based on the audit evidence obtained, whether material uncertainty exists related to events or conditions that may cast significant doubt on the association's ability to continue as a going concern.
- If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors Report. However, future events or conditions may cause the association 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 management and 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 were identify during the Audit.

Report on Anti- Money Laundering and Terrorism Financing Requirements

Further as required by the Bahrain commercial companies Law, Resolution No. 103 of 2021, we have examined the internal controls, systems of the Association as well as policies & Procedures relevant to detecting & 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:

- a) The Board maintains proper internal control systems and procedures sufficient of monitoring and reporting of suspicious or extraordinary transactions.
- b) The Board holds Sufficient measures and internal procedures relevant to verifying the identity of its customers and
- c) The Board had reported all suspicious or extraordinary transaction conducted during the financial year ended 31st March 2025.

- d) The Association had no relationship of any kind or with any persons or entities listed on the United Nations and Domestic lists during the financial year ended 31st March 2025.
- II. In addition, we report that we are not aware of any violations to the Resolution No. 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 the Legal and Regulatory Requirements

We report that,

- a) As required by the Bahrain Commercial Companies Law,
- i) The Board has maintained proper accounting records and the financial statements are in agreement therewith;
 - ii) The Board information contained in the report of the board member is consistent with the financial statements; and
 - iii) Satisfactory explanations and other information have been provided to us by the management in response to all our requests.
- b) We are not aware of any violations of the Joint property By Laws and articles of association during the year ending 31st March 2025 that might have had a material adverse effect on the management of the Association or in its financial position.

For ASP Auditing - Bahraini Specialized Partnership Co.



Partner Registration No.235
Diplomatic Area, Kingdom of Bahrain
10th November, 2025.

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Floating City Main Owners Association
Kingdom of Bahrain

STATEMENT OF FINANCIAL POSITION
As at 31st March 2025

ASSETS	Note	Mar-25 BHD	Mar-24 BHD
NON -CURRENT ASSETS			
Property, Plant and Equipment	4	-	-
Total Non-Current Assets	A	-	-
CURRENT ASSETS			
Cash and Cash Equivalents	5	76,433	47,817
Accounts & Other receivables	6	436,635	339,685
Total Current Assets	B	513,068	387,502
TOTAL ASSETS	A+B	<u><u>513,068</u></u>	<u><u>387,502</u></u>
FUNDS & LIABILITIES			
FUNDS & RESERVES			
Accumulated Fund	8	219,389	113,831
Sinking Fund	9	46,633	37,834
Contingent Fund	10	32,756	24,689
Total Funds	C	298,778	176,354

(Cont.)

Floating City Main Owners Association
Kingdom of Bahrain

STATEMENT OF FINANCIAL POSITION (Cont.)
As at 31st March 2025

LIABILITIES	Note	Mar-25 BHD	Mar-24 BHD
NON CURRENT LIABILITIES			
Total Non Current Liabilities	D	-	-
CURRENT LIABILITIES			
Accounts & Other Payables	7	214,290	211,148
Total Current Liabilities	E	214,290	211,148
TOTAL LIABILITIES	D+E	214,290	211,148
TOTAL FUNDS & LIABILITIES	C+D+E	<u><u>513,068</u></u>	<u><u>387,502</u></u>

The notes on pages 14 to 28 form an integral part of these financial statements.

These financial statements were approved on November 06, 2025

For Floating City Main Owners Association

Mr. Shaikh Salman Ali Rashed Subah Al Khalifa
(Chairman)

Ms. Nawal Ali Ebrahim Salman Altaitoon
(Treasurer)

The report of the auditors is set on page 4 to 8

Floating City Main Owners Association
Kingdom of Bahrain

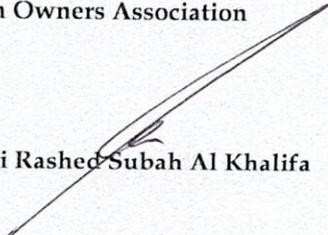
STATEMENT OF INCOME AND EXPENDITURE
For the year ended 31st March 2025

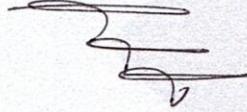
	Note	Mar-25 BHD	Mar-24 BHD
Continuing Operations			
Revenue	F	251,394	357,008
Gross Profit		251,394	357,008
Other Income	G	232	2,042
Operating Expenses			
General & Administration Expenses	H	(144,759)	(299,662)
Total Operating Expenses		(144,759)	(299,662)
Excess of Income over Expenditure for the year:		<u>106,867</u>	<u>59,388</u>
Financial Charges	I	(17)	-
Total Excess of Income over Expenditure for the year:		<u><u>106,850</u></u>	<u><u>59,388</u></u>
Excess of Income over Expenditure for the year:			
Transferred to General Fund		106,850	59,388

The notes on pages 14 to 28 form an integral part of these financial statements.

These financial statements were approved on November 06, 2025

For Floating City Main Owners Association


Mr. Shaikh Salman Ali Rashed Subah Al Khalifa
(Chairman)


Ms. Nawal Ali Ebrahim Salman Altaitoon
(Treasurer)

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Floating City Main Owners Association
Kingdom of Bahrain

CASH FLOW STATEMENT

For the year ended 31st March 2025

	Mar-25	Mar-24
	BHD	BHD
Cash Flow from Operating Activities		
Excess of Income over Expenditure for the year:	106,850	59,388
Operating Cash Flow before changes in net operating assets	106,850	59,388
Changes in net Working Capital		
(Increase) / Decrease in Accounts & Other Receivables	(96,950)	(252,355)
Increase / (Decrease) in Accounts & Other Payables	3,142	177,860
Increase / (Decrease) of Contract Liabilities	-	-
Net Cash Flow from / (used in) Working Capital	(93,808)	(74,495)
Cash flow from Financing Activities		
Net Changes in Sinking Fund/Contingent Fund	15,574	48,365
Net Cash Flow from / (used in) Financing Activities	15,574	48,365
Cash flow from Investing Activities		
Net Cash Flow from / (used in) Investing Activities	-	-
Net increase / (decrease) in cash & cash equivalents	28,616	33,258
Cash & Cash equivalents in the beginning of the year	47,817	14,559
Cash & Cash equivalents at the end of the year	76,433	47,817

The notes on pages 14 to 28 form an integral part of these financial statements.

These financial statements were approved on November 06, 2025

For Floating City Main Owners Association

Mr. Shaikh Salman Ali Rashed Subah Al Khalifa
(Chairman)

Ms. Nawal Ali Ebrahim Salman Altaitoon
(Treasurer)

The report of the auditors is set on page 4 to 8

Floating City Main Owners Association
Kingdom of Bahrain

STATEMENT OF CHANGES IN FUND

For the year ended 31st March 2025

Particulars	Accumulated Fund	Sinking Fund	Contingent Fund	Total
	BHD	BHD	BHD	BHD
Balance as on 1st April 2023	61,689	14,158	-	75,847
Net Movements of the year	(7,246)	23,676	24,689	41,119
Excess of Income over Expenditure	59,388	-	-	59,388
Balance as on 01st April 2024	113,831	37,834	24,689	176,354
Net Movements of the year	(1,292)	8,799	8,067	15,574
Excess of Income over Expenditure	106,850	-	-	106,850
Balance as on 31st March 2025	219,389	46,633	32,756	298,778

The notes on pages 14 to 28 form an integral part of these financial statements.

These financial statements were approved on November 06, 2025

For Floating City Main Owners Association

Mr. Shaikh Salman Ali Rashed Subah Al Khalifa
(Chairman)

Ms. Nawal Ali Ebrahim Salman Alaitoon
(Treasurer)

The report of the auditors is set on page 4 to 8

Floating City Main Owners Association
Kingdom of Bahrain.

Notes to the Financial Statements

As on 31st March 2025

1. Incorporation and Principal Activities

1.1 **M/s. Floating City Main Owners Association**, (The "Association") is registered with Ministry of Social Development under registration number 78424001 obtained on 10th January 2022.

1.2 The registered office of the association is Building No. 3390, Road No. 5726, Block No. 257, Amwaj and Kingdom of Bahrain.

1.3 The Board Members and Position of the Association:

- | | |
|--|-----------------|
| 1. Shaikh Salman Ali Rashed Subah Al Khalifa, Bahraini National | : Chairman |
| 2. Mr. Mahmood Yusuf Mahmood Abdulla Almahmood,
Bahraini National | : Vice Chairman |
| 3. Ms. Nawal Ali Ebrahim Salman Altaitoon, Bahraini National | : Treasurer |
| 4. Mr. Samer Abdulrahim Abdulla Alkhajeh, Indian National | : Secretary |

1.4 The Articles of Associations are based in principle on the Real Estate Regulatory Authority's Resolution No.7 of 2018 regulating Owners Associations and Joint properties, which came into effect on 26th September 2018 which are encompassed with the Law No. (27), "promulgating the Real Estate sector Regulation Law" which came into 01st March 2018 the contents of which apply in principle Floating City Main Owners Association.

1.5 The Floating City Main Owners Association is responsible for the management, Repairs, Maintenance, refurbishment and replacement of the building common areas (Including without Limitation the cleaning and maintenance of the façade and external areas of the building) to the operating standards in accordance with the terms of this by laws.

Floating City Main Owners Association
Kingdom of Bahrain.

2. **Application of new and revised International Financial Reporting Standards (IFRS)**

2.1 **New and revised IFRSs effective for accounting periods beginning on or after 01st January 2024:**

The following new and revised IFRSs which became effective for the annual period beginning on or after 01st January 2023 have been adopted in these financial statements.

New and Revised IFRSs	Summary of requirements
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)	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.
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	Amendments to IFRS 16 to specifies 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 recognize any amount of the gain or loss that relates to the right of use it retains.
Non-current Liabilities with Covenants (Amendments to IAS 1)	The amendments improved the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with covenants. The amendments also responded to stakeholders' concerns about the classification of such a liability as current or non-current.
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	The amendments 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.

Floating City Main Owners Association
Kingdom of Bahrain.

New IFRS	Summary of requirements
IFRS S1 – General requirements for disclosure of sustainability – related financial information	<p>IFRS S1 sets out an entity is required to provide disclosures about sustainability-related risks and opportunities that enables users of general-purpose financial reports to understand:</p> <ul style="list-style-type: none"> • Governance processes, controls and procedures to monitor, manage and oversee; • Strategy for managing • Processes to identify, assess, priorities and monitor • Performance, including progress towards any targets the entity has set or is required to meet by law or regulation.
IFRS S2 - Climate-related Disclosures	<p>IFRS S2 applies to:</p> <ol style="list-style-type: none"> a. Climate-related risks to which the entity is exposed, which are: <ol style="list-style-type: none"> i. climate-related physical risks; and ii. climate-related transition risks; and b. climate-related opportunities available to the entity. <p>IFRS S2 requires an entity to disclose</p> <ul style="list-style-type: none"> • Governance processes, controls and procedures to monitor, manage and oversee; • Strategy for managing • Processes to identify, assess, priorities and monitor • Performance, including progress towards any targets the entity has set or is required to meet by law or regulation.

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2.2 New and revised IFRSs in issue but not effective:

The company has not yet applied the following new and Revised IFRS 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: Lack of Exchangeability	1 st January 2025
Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments	1 st January 2026
Annual Improvements to IFRS Accounting Standards - Amendments to: <ul style="list-style-type: none"> • IFRS 1 First-time Adoption of International Financial Reporting Standards; • IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7; • IFRS 9 Financial Instruments; • IFRS 10 Consolidated Financial Statements; and • IAS 7 Statement of Cash flows 	1 st January 2026
IFRS 18 Presentation and Disclosure in Financial Statements	1 st January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 st January 2027

Management anticipates that these new standards, interpretations and amendments will be adopted in the board member financial statements as and when they are applicable and the adoption of these new standards, interpretations and amendments may have no material impact on the financial statements of the board member in the year of initial application.

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3. Significant Accounting Policies

Basis of Preparation

These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and in conformity with the Bahrain Commercial Association Law. The significant accounting policies, which have been applied, are set out below:

a) Going concern basis of accounting

The financial statements have been prepared on a going concern basis, which assumes that the board member will be able to meet the mandatory repayment terms of the banking facilities.

b) Accounting Convention:

These financial statements have been prepared on an Accrual Basis and under the historical Cost convention. The accounting policies have been consistently applied by the association.

c) Revenue recognition:

Income is recognized when it is earned, not necessarily when received. Expenses and charges have been recognized when it was incurred, not necessarily when paid.

Revenue from contracts with customers

IFRS 15 Revenue from Contracts with Customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found across several Standards and Interpretations within IFRSs.

It establishes a new five-step model that will apply to revenue arising from contracts with customers.

Step 1: Identify the contract with a customer.

Step 2: Identify the performance obligations in the contract.

Step 3: Determine the transaction price.

Step 4: Allocate the transaction price to the performance obligations in the contract.

Step 5: Recognize revenue as and when the Group satisfies a performance obligation.

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Determining the Transaction Price

The Board Member Contribution revenue is derived from approved budget and therefore the amount of revenue to be earned from each owner is determined by reference to those fixed rates of contribution in the approved budget. The Transaction price is with regard to other services provided to the home owners are determined with reference to fixed price lists.

Allocating amounts to performance Obligations

The Board Member contribution revenue is derived from fixed rates of contribution in the budget and therefore the amount of revenue to be earned from each owner is determined by reference to those fixed rates of contribution. For each apartment there is fixed rate per square meter. Therefore, there is no judgement involved in allocating the price for each unit.

d) Other Income

Other Income is recognized on an accrual basis or when the association's right to receive payment is established.

e) Financial assets

The Association classifies its financial assets into one of the categories discussed below, depending on the cash flow characteristics and business model these assets are held under the Association's accounting policy for each category is as follows:

Accounts and other receivables

The schedule of Accounts Receivables represents amount falling due as on the date of Statement of Financial Position. Accounts receivables are normally requiring the amounts to be received within 60 days of the date of invoice. Bad debts are written off as and when they arise. Accounts receivables are stated net of provision for doubtful debts and discounts.

At the reporting date, gross Accounts receivable was **BHD. 436,635/-** (2024: BHD. 335,192/-), with provision for doubtful debts **BHD. Nil /-** (2024: BHD. Nil/-). Any difference between the amounts actually collected in future year and the amounts expected will be recognized in the statement of comprehensive income.

Floating City Main Owners Association
Kingdom of Bahrain.

Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and balances held with banks.

i. Financial liabilities

The financial liabilities of the Board Member consist of and Accounts and other payables. These financial liabilities are initially recognized at fair value and are subsequently re-measured at amortized cost using the effective interest method.

Accounts and other payables

The schedule of Accounts Payables represents Amounts falling due as on the date of Statement of Financial Position, and it excludes the postdated cheque issues. Accounts payable is normally settled within 60 days. Liabilities are recognized for amounts to be paid in the future for goods of services whether or not billed to the association.

f) Provisions

Provisions are recognized when the Board Member has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation in future and the amount of the obligation can be reliably estimated.

g) 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. Owing to the nature of Business inventory is not applicable to the association.

h) Foreign Currency Transactions:

Foreign currency transactions are presented in Bahrain Dinars at the approximate rate of exchange ruling at the time of the transaction. Gains or Losses resulting from the settlement of such transactions and from the translation, at the yearend rates, of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit or Loss and other comprehensive Income.

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Non-Monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Non - monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of Transaction.

i) Employees' Terminal benefits:

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

For Non - Bahraini employees the association 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.

j) Rounding off:

The figures stated in the attached financial statements are rounded off to the nearest Bahrain Dinar.

k) Fair Value of financial instruments:

The value of all classes of financial assets and financial liabilities, as recorded in the Statement of Financial Position approximate the fair value of these assets and liabilities.

l) Profit and Loss account:

The association's profit is arrived at after charging all expenses, incurred in day-to-day operations of the business.

m) Statutory Reserve

The Bahraini Commercial Companies Law requires companies to transfer 10% of their annual profit to a statutory reserve, until such time the reserve equals 50% of the paid-up share capital, A statutory reserve equal to 50% of the paid-up capital has been created by transfer of prior years' profits. This reserve cannot be utilized for the purpose of distribution, except in such circumstances as stipulated in the Bahrain Commercial Association Law.

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n) Inflationary Factor:

No adjustments have been made in these financial statements to identify the inflationary factor.

o) Key Sources of Estimation Uncertainty

The entity management set out the entity's overall business strategies and its risk management policy. The Entity's overall financial risk management program seeks to minimize potential adverse effects on the financial performance of the entity. The entity policies include financial risk management policies covering specific areas, such as market risk (including foreign exchange risk, interest risk, liquidity risk and credit risk). Periodic reviews are undertaken to ensure that the entity's policy guidelines are complied with. There has been no change to the entity's exposure to the financial risks or the manner in which it manages and measures the risk.

The entity is exposed to the following risks related to financial instruments. The entity has not framed formal risk management policies; however, the risks are monitored by management on a continuous basis. The entity does not enter into or Accounts in financial instruments, investment in securities, including derivative financial instruments, for speculative or risk management purposes.

a) Foreign Currency risk management

The entity undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise.

b) Liquidity risk management

Ultimate responsibility for liquidity risk management rest with the management which has built an appropriate liquidity risk management framework for the management of the entity's short-, medium- and long-term funding and liquidity management requirements.

The entity manages liquidity risk by maintaining adequate reserves, continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

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The table below summarizes the maturity profile of the entity's financial assets and financial liabilities. The contractual maturities of the financial assets and financial liabilities have been determined on the basis of the remaining year at the financial position date based on contractual repayment agreements were as follows:

Particulars	Interest Bearing			Non-Interest Bearing			Total
	On Demand or Less than 3 Months	Within 1 Year	More than 1 Year	On Demand or Less than 3 Months	Within 1 Year	More than 1 Year	
As at 31st March 2025							
Financial Assets							
Cash & Cash Equivalents	-	-	-	76,433	-	-	76,433
Accounts Receivables	-	-	-	-	201,696	234,939	436,635
TOTAL	-	-	-	76,433	201,696	234,939	513,068
Financial Liabilities							
Accounts Payables	-	-	-	-	213,491	-	213,491
Other Payables	-	-	-	-	799	-	799
TOTAL	-	-	-	-	214,290	-	214,290

c) Credit Risk Management

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the entity. The entity has adopted a policy of only dealing with the credit worthy counterparties. The Entity's exposure is continuously monitored and their credit exposure is reviewed by the management regularly and the entity maintains allowances for doubtful debts based on expected collectability of all Accounts receivables.

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The association is exposed to credit risk on its Cash at Bank, Accounts Receivables & Other Receivables as follows

Particulars	31 st March 2025	31 st March 2024
	BHD	BHD
Cash at Bank	76,263	47,717
Accounts Receivables	436,635	335,192
Other Receivables	-	4,493
TOTAL	512,898	387,402

The association seeks to limit its credit risk with respect to banks by only dealing with reputable banks and with respect to customers by setting limits for individual customers and monitoring outstanding Accounts receivable with respect to credit risk arising from the other financial assets of the Association, including cash and cash equivalents, the association's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. Accounts receivables consist of a number of customers. Ongoing credit evaluation is performed on the financial condition of Accounts receivables. Further details of credit risk on Accounts and other receivable are disclosed in the notes to financial statements. The credit risk on liquid funds is limited because the counterparties are banks with high credit- ratings assigned by international credit-ratings agencies.

d) Capital risk management

The Primary Objective of the Associations Capital Management is to ensure that it maintains a healthy capital ratio in order to support its business and maximize benefits from the Association. The association manages its capital structure and make adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies and processes during the years ended 31st March 2025 and 31st March 2024

The association monitors capital using a gearing ratio, which is net debt divided by total members fund plus net debt. The Association includes within net debt, Other Payables less cash and cash equivalents. Capital comprises of General Fund and sinking fund measured at **BHD. 298,778/-** as at 31st March 2025. (2024: BHD.176,354/-)

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p) Contingencies and commitments:

As at 31st March 2025, the association does not have any contingencies and commitments.

q) Exchange Rate Risk:

It is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The association's significant foreign currency transactions are predominately in Bahrain Dinar.

r) Interest Rate Risk:

It is the risk that the value of Financial Instrument will fluctuate due to changes market interest rates. The association's assets and liabilities are not sensitive to interest rate risk.

s) Financial Charges:

The Financial Charges includes finance cost charges and bank charges and other charges related to finance.

t) Corresponding Figures:

The corresponding figures of the previous year are comparable as these comprise the operating results and financial position for the year ended 31st March 2024 audited by another auditor, while the current figures comprise the operating results and financial position for the year ended 31st March 2025. Reclassification has been made wherever necessary for better presentation of financial information.

u) Subsequent Events:

There were no significant events subsequent to the year ended 31st March 2025 and occurring before the date of signing of the financial statements that would have a significant impact on these financial statements.

4. Property, Plant and Equipment

As on the date of statement of financial position, there are no Property, plant and Equipment in its books of accounts of the association.

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31st March 2025

Notes to the financial statements

	Mar-25	Mar-24
	BHD	BHD
5. Cash & Cash Equivalents		
Cash in hand	170	100
Current Account Balances with Banks	54,630	26,084
Fixed Deposits	21,633	21,633
	76,433	47,817

Cash and Cash Equivalents are items, which are readily convertible to known amounts of Cash and which are subject to insignificant risk of change in value. Current account balances with banks are non-interest bearing.

Bank Reconciliation :

Cumulative Bank Balance as per bank statement	111,198	-
Less: Cheque deposited but not cleared by bank	(56,568)	-
Cumulative Bank balance as per books of Accounts	54,630	-

6. Accounts & Other Receivables

Accounts receivables	436,635	335,192
Prepayments	-	4,493
	436,635	339,685

Ageing Analysis of Accounts Receivables:

181 - 365 days	201,696	335,192
More than 365 days	234,939	-
	436,635	335,192

The association uses an allowance account when recognizing impairment losses on its receivables unless otherwise determined that the likelihood of collection is remote, in which the association directly charges the loss against its receivables. The association writes off receivables if after exhausting prudent collection procedures, the Management assessed that the possibility of collection is remote.

7. Accounts & Other Payables

Accounts Payables	213,491	211,148
Advance Received from Members	799	-
	214,290	211,148

Ageing Analysis of Accounts Payables:

91 - 180 days	213,491	211,148
	213,491	211,148

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31st March 2025

Notes to the financial statements

	Mar-25	Mar-24
	BHD	BHD
8. Accumulated Fund		
Balance at the beginning of the year	113,831	61,689
Net movement during the year	(1,292)	-
Prior period Adjustment	-	(7,246)
Add: Excess of Income over Expenditure for the year	106,850	59,388
Balance at the end of the year	219,389	113,831
9. Sinking Fund		
Balance at the beginning of the year	37,834	14,158
Net movement during the year	8,799	23,676
Balance at the end of the year	46,633	37,834
10. Contingent Fund		
Balance at the beginning of the year	24,689	-
Net movement during the year	8,067	24,689
Balance at the end of the year	32,756	24,689
F. Revenue		
Revenue - Service	251,394	357,008
	251,394	357,008
<i>Geographical Analysis:</i>		
<i>Within Bahrain</i>	251,394	357,008
	251,394	357,008
G. Other Income		
Other Income	232	2,042
	232	2,042

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31st March 2025

Notes to the financial statements

	Mar-25	Mar-24
	BHD	BHD
H. General and Administration Expenses		
Amwaj Service Fee	78,926	215,680
Utilities	907	1,060
Management Expenses	25,109	21,150
Repairs & Maintenance	26,042	51,371
Professional & Other Legal Charges	9,068	5,702
Insurance Charges	1,850	2,772
Communication cost	117	-
Marketing Expenses	439	-
General Expenses	2,301	1,927
	144,759	299,662
I. Financial Charges		
Bank Charges	17	-
	17	-