

Intellect Design Arena Arabia Limited
A Limited Liability Company
Financial Statements and Independent Auditor's Report
For the year ended 31 March 2025

Intellect Design Arena Arabia Limited
A Limited Liability Company

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INDEPENDENT AUDITOR'S REPORT

To the Partners of Intellect Design Arena Arabia Limited

Opinion

We have audited the financial statements of Intellect Design Arena Arabia Limited (the "Company"), which comprise the statement of financial position as at 31 March 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 March 2025 and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2025, and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards ("IFRS") and its interpretations as issued by the International Accounting Standards Board ("IASB"), that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Auditors and Accountant ("SOCPA").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the professional code of conduct and ethics that is endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the financial statements and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS as endorsed in Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA and Regulations for Companies and the Company's Article of Association 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 and error.

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

Those charged with governance, i.e. general manager, is responsible for overseeing the Company's financial reporting process.

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 International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia 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.



INDEPENDENT AUDITOR'S REPORT To the Partners of Intellect Design Arena Arabia Limited (Continued)

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, 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 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.

For Abdulrahman Khaled Alhamazani (Certified Public Accountants)

Abdulrahman Khaled Alhamazani
Certified Public Accountant
License No. (784)

Riyadh, Kingdom of Saudi Arabia

Date: 24 Thul-Qi'dah 1446AH
Corresponding to: 22 May 2025



Intellect Design Arena Arabia Limited
A Limited Liability Company
Statement of financial position
as at 31 March 2025

	<i>Note</i>	2025	2024
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	6	522,482	-
Capital work in progress	7	-	61,421
Right-of-use asset	8	1,153,694	1,812,948
Deferred Taxation	13.3	114,898	-
TOTAL NON-CURRENT ASSETS		1,791,074	1,874,369
CURRENT ASSETS			
Cash and cash equivalents	9	18,007	-
Advances, security deposit and other receivables	10	402,724	913,084
Due from related party	11	5,244,370	3,760,000
TOTAL CURRENT ASSETS		5,665,101	4,673,084
TOTAL ASSETS		7,456,175	6,547,453
EQUITY AND LIABILITIES			
EQUITY			
Share capital	14	3,760,000	3,760,000
Statutory reserve		22,030	-
Accumulated losses		(285,535)	(483,808)
TOTAL EQUITY		3,496,495	3,276,192
NON CURRENT LIABILITIES			
Lease Liability	8	-	667,203
TOTAL NON CURRENT LIABILITIES		-	667,203
CURRENT LIABILITIES			
Due to related party	11	3,145,624	1,897,260
Accrued expenses and other payables	12	97,831	73,581
Current portion of lease liability	8	667,203	633,217
Income tax provision	13.2	49,022	-
TOTAL CURRENT LIABILITIES		3,959,680	2,604,058
TOTAL LIABILITIES		3,959,680	3,271,261
TOTAL LIABILITIES AND EQUITY		7,456,175	6,547,453

The accompanying notes 1 to 21 form an integral part of these financial statements.

Intellect Design Arena Arabia Limited
A Limited Liability Company
Statement of profit or loss and other comprehensive income
for the year ended 31 March 2025

	<i>Note</i>	2025	04 April, 2023 to March 31, 2024
Revenue	<i>16</i>	1,484,370	-
Cost of Service	<i>17</i>	(1,268,775)	-
Gross Profit		215,595	-
General and administrative expenses	<i>18</i>	-	(441,765)
Selling and marketing expense	<i>19</i>	-	(25,000)
Operating income / (loss) for the year		215,595	(466,765)
Finance cost		(61,168)	(17,043)
Net income / (loss) before income tax for the year		154,427	(483,808)
Income tax	<i>13.1</i>	(49,022)	-
Deferred tax	<i>13.3</i>	114,898	-
Net income / (loss) after income tax for the year		220,303	(483,808)
Other comprehensive income:			
Other comprehensive income		-	-
Net comprehensive income / (loss) for the year		220,303	(483,808)

The accompanying notes 1 to 21 form an integral part of these financial statements.

Intellect Design Arena Arabia Limited
A Limited Liability Company
Statement of changes in equity
as at 31 March 2025

	Capital	Statutory Reserve	Accumulated losses	Total
Balance as at 04 April 2023	3,760,000	-	-	3,760,000
Net comprehensive loss for the period	-	-	(483,808)	(483,808)
Transfer to statutory reserve	-	-	-	-
Total comprehensive loss	-	-	(483,808)	(483,808)
Balance as at 31 March 2024	<u>3,760,000</u>	<u>-</u>	<u>(483,808)</u>	<u>3,276,192</u>
Balance as at 01 April 2024	3,760,000	-	(483,808)	3,276,192
Profit after tax for the year	-	-	220,303	220,303
Transfer to statutory reserve	-	22,030	(22,030)	-
Total comprehensive income	-	22,030	198,273	220,303
Balance as at 31 March 2025	<u>3,760,000</u>	<u>22,030</u>	<u>(285,535)</u>	<u>3,496,495</u>

The accompanying notes 1 to 21 form an integral part of these financial statements.

Intellect Design Arena Arabia Limited
A Limited Liability Company
Statement of cash flows
for the year ended 31 March 2025

	<i>Note</i>	2025	04 April, 2023 to March 31, 2024
Income / (Loss) before tax for the year		154,427	(483,808)
			-
Adjustments for:			
Amortization of right-of-use assets	8	659,254	164,813
Depreciation of PE	6	195,802	-
Interest expense on lease liability	8	61,167	17,043
		1,070,650	(301,952)
Change in working capital			
Advances, security deposit and other receivables		510,360	(913,084)
Accrued expenses and other payables		24,251	73,581
Due from related party		(1,484,370)	
Due to related party		1,248,364	1,897,260
		1,369,255	755,805
Cash generated from operations		1,369,255	755,805
Payment for lease liability	8	(694,384)	(694,384)
		674,871	61,421
Net cash generated from operating activities		674,871	61,421
Cash flows from investing activities:			
Additions to CWIP	7	-	(61,421)
Additions to PPE		(656,863)	-
Net cash used in investing activities		(656,863)	(61,421)
Net change in cash and cash equivalents		18,007	-
Cash and cash equivalents at the beginning of the year		-	-
Cash and cash equivalents at the end of the year		18,007	-
Significant non-cash transactions			
Share capital issued		-	3,760,000
Transfers from CWIP		61,421	-

The accompanying notes 1 to 21 form an integral part of these financial statements.

Intellect Design Arena Arabia Limited

A Limited Liability Company

Notes to the financial statements for the year ended 31 March 2025

(All amounts are in Saudi Riyals unless otherwise stated)

1. THE COMPANY AND BUSINESS DESCRIPTION

The Intellect Design Arena Arabia Limited (the 'Company'), a one person Limited Liability Company, was registered under Commercial Registration No. 1010873080 dated April 4, 2023 (corresponding to 1444/09/13) and MISA license number 102104408194167, issued in Riyadh. The Company's head office is located in Riyadh, Kingdom of Saudi Arabia.

The Company, as per the commercial register, is primarily engaged in providing services for interface and user experience design, fintech solutions and registration to provide cloud computing services.

The Company's fiscal year begins on 01/04/2024 and ends on 31/03/2025 AD.

2. BASIS OF PREPARATION

2.1. Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and its interpretations as issued by the International Accounting Standards Board ("IASB") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Certified Public Accountants (collectively referred to as "IFRS as endorsed in Kingdom of Saudi Arabia").

2.2. Preparation of financial statements

(i) Historical cost convention

These financial statements have been prepared on a historical cost basis, unless stated otherwise, using the accrual basis for accounting and going concern principle.

(ii) Functional and presentation currency

These financial statements are presented in Saudi Riyal ("SR"), which is the Company's functional and presentation currency. All amounts have been rounded to the nearest whole number, unless otherwise indicated.

3. AMENDMENTS TO STANDARDS AND INTERPRETATIONS

3.1. Changes in accounting policies and disclosures

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 March 2025, except for the adoption of new standards and interpretations effective as of 1 January 2024

Intellect Design Arena Arabia Limited

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Notes to the financial statements for the year ended 31 March 2025

(All amounts are in Saudi Riyals unless otherwise stated)

3.2. New and amended standards and interpretations

The following are the new and amendments to standards and interpretations which are applicable for the first time in 2024, but are not relevant and do not have an impact on the financial statements of the Company.

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

The adoption of the above amendments and improvements had no material impact on the financial statements of the Company.

4. STANDARDS ISSUED AND NOT YET EFFECTIVE

The new and amended standards and interpretations that are issued as listed below, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The management is currently assessing the impact of adopting them effective, up to the date of issuance of the Company's financial statements are disclosed below. The management is currently assessing the impact of adopting the below amended standards and interpretations on the Company's financial statements in the period of their initial application and intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

<i>New and revised IFRSs</i>	<i>Effective for annual periods beginning on or after</i>
Lack of exchangeability – Amendments to IAS 21	1-Jan-25
Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	1-Jan-26
IFRS 18 – Presentation and Disclosure in Financial Statements	1-Jan-27
IFRS 19 – Subsidiaries without Public Accountability: Disclosures	1-Jan-27
Sale or contribution of assets between an investor and its associate or joint venture – Amendments to IFRS 10 and IAS 28)	Deferred indefinitely

Intellect Design Arena Arabia Limited

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Notes to the financial statements for the year ended 31 March 2025

(All amounts are in Saudi Riyals unless otherwise stated)

The amendments are not expected to have a material impact on the financial statements of the Company in its initial period of application.

5. MATERIAL ACCOUNTING POLICIES

The Company has consistently applied the accounting policies to all period presented in these financial statements.

5.1. Significant accounting judgements, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Therefore, actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. In the process of applying the Company's accounting policies, management has made the following estimates and judgments, which are significant to the financial statements:

- Useful lives, residual values and depreciation method of property and equipment.
- Recognition and measurement of other provisions.

The Company has consistently applied the accounting policies to the period presented in these financial statements, except if mentioned otherwise.

5.2. Trade receivables

Trade receivables are recognised and carried at transaction price less an allowance for impairment.

A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is recognised in the statement of profit or loss. Bad debts are written-off in the statement of profit or loss on identification.

5.3. Property and equipment

Property and equipment are stated at cost, less accumulated depreciation and any impairment losses.

Cost includes expenditure that is directly attributable to the asset for bringing it to its current location and condition, so that it can operate in the way which the management has intended.

Intellect Design Arena Arabia Limited
A Limited Liability Company
Notes to the financial statements for the year ended 31 March 2025
(All amounts are in Saudi Riyals unless otherwise stated)

5. MATERIAL ACCOUNTING POLICIES (Continued)

5.3. Property and equipment - continued

The Company recognize the cost of replacing a part of an item of property, plant and equipment in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company. The carrying amount of the replaced part is derecognized. The costs of all other repairs and maintenance are recognized in the profit or loss in the period in which it has incurred.

Category of property and equipment	Consumption ratio
Furniture	10%
Buildings	3.33%
Computer & accessories	33.33%
Vehicles	12.50%
Office Equipments	20.00%

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

5.4. Revenue realization

Revenue is recognised to the extent the Company has rendered services under an agreement, the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Company.

Revenue is measured at the fair value of the consideration received or receivable, exclusive of value added tax and trade discounts.

5.5. Preparation of cash flow statement

The statement of cash flows is prepared using the indirect method.

5.6. Financial instruments

i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

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Notes to the financial statements for the year ended 31 March 2025

(All amounts are in Saudi Riyals unless otherwise stated)

5. MATERIAL ACCOUNTING POLICIES (Continued)

A financial asset (unless it is a trade receivables without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction cost that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii. Classification and subsequent measurement of financial assets and financial liabilities

On initial recognition, a financial asset is classified as measured at: amortized cost; fair value through other comprehensive income (“FVOCI”) – debt investment; FVOCI – equity investment; or FVTPL. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets;
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the company may irrevocably elect to present subsequent changes in the investment’s fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. The following accounting policies apply to the subsequent measurement of financial assets.

Intellect Design Arena Arabia Limited

A Limited Liability Company

Notes to the financial statements for the year ended 31 March 2025

(All amounts are in Saudi Riyals unless otherwise stated)

5. MATERIAL ACCOUNTING POLICIES (Continued)

Financial assets at Fair Value Through Profit and Loss (FVTPL)	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Equity investments at Fair Value through Other Comprehensive Income (FVOCI)	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

The financial assets at amortized cost consist of trade receivables and contract assets, other non-current financial assets, other current financial assets and cash and cash equivalents.

iii. Financial Liabilities – Classification, subsequent measurement and gain and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, it is a derivative or designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

iv. Derecognition

a) Financial assets

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which either substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

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Notes to the financial statements for the year ended 31 March 2025
(All amounts are in Saudi Riyals unless otherwise stated)

5. MATERIAL ACCOUNTING POLICIES (Continued)

The company enters into transactions whereby it transfers assets recognized in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

b) Financial liabilities

The company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

v. Offsetting

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

vi. Impairment of non-derivative financial assets

Under IFRS 9, loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The company recognizes loss allowances for ECLs on financial assets measured at amortized cost and contract assets. The company measures loss allowances at an amount equal to lifetime ECLs.

5.7. Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Intellect Design Arena Arabia Limited

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Notes to the financial statements for the year ended 31 March 2025

(All amounts are in Saudi Riyals unless otherwise stated)

5. MATERIAL ACCOUNTING POLICIES (Continued)

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognized at present value using a pre-tax discount rate. The unwinding of the discount is recognized as finance cost in the statement of profit or loss.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognized provision is recognized in the statement of profit or loss unless the provision was originally recognized as part of cost of an asset.

5.8. Expenses

General and administrative expenses include direct and indirect costs not specifically associated with cost of sales. Expenses are allocated on a consistent basis between general and administrative expenses and marketing expense, whenever necessary.

5.9. Foreign currency transactions and balances

The Company records transactions that take place in a foreign currency upon initial recognition in Saudi riyals by applying the spot exchange rate on the date of the transaction to the amount in foreign currency. Financial assets and liabilities denominated in foreign currencies are retranslated at the exchange rates prevailing at the statement of financial position date. All differences are taken to the statement of profit or loss.

5.10. Statutory reserve

According to the company's articles of incorporation and the Saudi corporate system, the company must transfer 10% of the net income for the year to the statutory reserve until the total reserve reaches 30% of the capital. This reserve is not available for distribution.

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Notes to the financial statements for the year ended 31 March 2025

(All amounts are in Saudi Riyals unless otherwise stated)

5. MATERIAL ACCOUNTING POLICIES (Continued)

5.11. Leases

The company assesses whether a contract is, or contains, a lease, at inception of the contract. The company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the company uses its incremental borrowing rate.

The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rates; a country-specific risk adjustment; a credit risk adjustment based on bond yields; and an entity-specific adjustment when the risk profile of the entity that enters into the lease is different to that of the company and the lease does not benefit from a guarantee from the company.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date
- The amount expected to be payable by the lessee under residual value guarantees
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options
- Payments of penalties for terminating the lease, if the lease term reflects an option to terminate the lease

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate

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Notes to the financial statements for the year ended 31 March 2025

(All amounts are in Saudi Riyals unless otherwise stated)

5. MATERIAL ACCOUNTING POLICIES (Continued)

- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used)
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification

The company did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

5.12. Capital work in progress

Capital work in progress at year end includes certain assets that have been acquired but are not ready for their intended use. These assets are transferred to relevant asset categories and are depreciated once they are available for their intended use.

5.13. Finance costs

The Company's finance costs include interest on lease liability. Interest expense is recognized under the effective interest method.

5.14. Taxation

The income tax expense represents the sum of current and deferred income tax expense.

5. MATERIAL ACCOUNTING POLICIES (Continued)

i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognized for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

ii) Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, a deferred tax liability is not recognized if the temporary difference arises from the initial recognition of goodwill.

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

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5. MATERIAL ACCOUNTING POLICIES (Continued)

iii) *Current tax and deferred tax for the year*

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

5.15. Cash and cash equivalents

In the statement of financial position, cash and bank balances comprise cash (i.e. cash on hand and demand deposits) and cash equivalents. Cash equivalents are short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather for investment or other purposes.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part of the Company's cash management. Such overdrafts are presented as short-term borrowings in SOFP.

Intellect Design Arena Arabia Limited**A Limited Liability Company****Notes to the financial statements for the year ended 31 March 2025**

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6. PROPERTY AND EQUIPMENT

Description	Leasehold Improvements	Furniture and Fixtures	Computer	Total
Cost				
Balance on 01 April 2024	-	-	-	-
Transfer from CWIP	-	61,421	-	61,421
Additions for the year	574,293	9,915	72,656	656,863
As at 31 March 2025	<u>574,293</u>	<u>71,336</u>	<u>72,656</u>	<u>718,284</u>
Accumulated depreciation				
Balance on 01 April 2024	-	-	-	-
Depreciation for the year	172,288	5,350	18,164	195,802
As at 31 March 2025	<u>172,288</u>	<u>5,350</u>	<u>18,164</u>	<u>195,802</u>
Net book value				
As at 31 March 2025	<u>402,005</u>	<u>65,986</u>	<u>54,492</u>	<u>522,482</u>
As at 31 March 2024	-	-	-	-

7. CAPITAL WORK IN PROGRESS

	2025	2024
Balance as at April 01, 2024	61,421	-
Additions during the year	-	61,421
Transfers during the year	(61,421)	-
Balance as at March 31, 2025	<u>-</u>	<u>61,421</u>

8. LEASES**i Right-of-use asset**

Balance as at April 01, 2024	1,812,948	-
Additions during the year	-	1,977,761
Amortization for the year	(659,254)	(164,813)
Balance as at March 31, 2025	<u>1,153,694</u>	<u>1,812,948</u>

ii Lease liabilities

Balance as at April 01, 2024	1,300,420	-
Additions during the year	-	1,977,761
Interest expense for the year	61,167	17,043
Paid during the year	(694,384)	(694,384)
Balance as at March 31, 2025	<u>667,203</u>	<u>1,300,420</u>
Current portion of lease liability	<u>(667,203)</u>	<u>(633,217)</u>
Long term portion of lease liability	<u>-</u>	<u>667,203</u>

Intellect Design Arena Arabia Limited**A Limited Liability Company****Notes to the financial statements for the year ended 31 March 2025**

(All amounts are in Saudi Riyals unless otherwise stated)

9. CASH AND CASH EQUIVALENTS

	2025	2024
Cash in hand	18,000	-
Cash in bank	7	-
	<u>18,007</u>	<u>-</u>

10. ADVANCES, SECURITY DEPOSIT AND OTHER RECEIVABLES

Advances to supplier	29,906	729,853
VAT recoverable	356,045	125,885
Security deposit	5,236	57,346
Others	11,537	-
	<u>402,724</u>	<u>913,084</u>

11. RELATED PARTY TRANSACTIONS

Related party represents senior partners, directors and senior management personnel of the joint venture, entity controlled or over which significant control is exercised by the managing partner or over which they exercise significant management influence

11.1 Due from related party

Amounts due from related parties represents services provided in the ordinary course of business and loans receivables from following related parties:

Amounts due from / (due to) related parties arising from amounts financed and withdrawn in the ordinary course of business represent:

	<u>Nature of</u>	<u>2025</u>	<u>2024</u>
Intellect Design Arena Limited	Shareholder	3,760,000	3,760,000
Intellect Design Arena Limited	Shareholder	1,484,370	-
		<u>5,244,370</u>	<u>3,760,000</u>

11.2 Due to related party

Intellect Dubai	Associate	<u>(3,145,624)</u>	<u>(1,897,260)</u>
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11.3. The following is a statement of the nature of transactions with related parties:

<u>Party Name</u>	<u>Nature of relationship</u>	<u>Nature of transaction</u>	<u>2025</u>	<u>2024</u>
Intellect Design Arena limited	Shareholder	Equity issued	3,760,000	3,760,000
Intellect Design Arena limited	Shareholder	Services offered	1,484,370	
Intellect Dubai	Associate	Expenses paid on behalf company	(1,248,364)	(1,897,260)

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12 ACCRUED EXPENSES AND OTHER PAYABLES	2025	2024
Accrued expenses	97,831	54,648
Other payable	-	18,933
	<u>97,831</u>	<u>73,581</u>

13. INCOME TAX

13.1. Reconciliation of tax charge for the year

Profit before tax	154,427	-
Add: Disallowable expenses / Claims	172,385	-
Brought forward losses	(81,703)	-
Income tax base	245,109	-
Tax at the applicable tax rate of 20%	<u>49,022</u>	<u>-</u>

13.2. Income tax payable

Balance at start of the year / period	-	-
Charge for the year / period	49,022	-
Payments made for th year / period	-	-
Balance at end of the year / period	<u>49,022</u>	<u>-</u>

13.3. Deferred tax

The movement in deferred tax asset during the year is as follows:

At beginning of the year	-	-
Movement during the year	114,898	-
At end of the year	<u>114,898</u>	<u>-</u>

14. SHARE CAPITAL

The total capital of the Company for the year ended on March 31, 2025 amounted to 3,760,000 riyals as follows:

	Shares issued	Per share value	2025	2024
Intellect Design Arena Limited	3,760,000	1	<u>3,760,000</u>	3,760,000
			<u>3,760,000</u>	<u>3,760,000</u>

15. CONTINGENCIES AND COMMITMENTS

As at the reporting date, there are no contingencies or commitments for the Company.

Intellect Design Arena Arabia Limited**A Limited Liability Company****Notes to the financial statements for the year ended 31 March 2025**

(All amounts are in Saudi Riyals unless otherwise stated)

16. REVENUE

Revenue for the year ended 31 March 2025 represents service income earned by Intellect Design Arena Arabia Limited from Intellect Design Arena Limited under an intercompany agreement.

17. COST OF SERVICE	2025	04 April, 2023 to March 31, 2024
Depreciation	195,802	-
Legal and professional fee	196,387	-
Amortization of right-of-use asset	659,254	-
Recruitment Expenses	100,800	-
Other expenses	93,704	-
Marketing expenses	22,828	-
	<u>1,268,775</u>	<u>-</u>

18. GENERAL AND ADMINISTRATIVE EXPENSES

Depreciation	-	-
Legal and professional fee	-	209,118
Amortization of right-of-use asset	-	164,813
Audit fees	-	30,000
Recruitment Expenses	-	-
Other expenses	-	24,630
	<u>-</u>	<u>428,561</u>

19. SELLING AND MARKETING EXPENSES

Marketing expenses	-	25,000
	<u>-</u>	<u>25,000</u>

20. FINANCIAL INSTRUMENTS

	Fair value through profit or loss	Amortized cost	Total
	----- Amount in SR -----		
Financial assets			
Advances, prepaid expenses and other receivables	-	46,679	46,679
Due from related party	-	5,244,370	5,244,370
	<u>-</u>	<u>5,291,049</u>	<u>5,291,049</u>
Financial liabilities			
Due to related party	-	3,145,624	3,145,624
Accrued expenses and other payables	-	97,833	97,833
	<u>-</u>	<u>3,243,457</u>	<u>3,243,457</u>

Intellect Design Arena Arabia Limited**A Limited Liability Company****Notes to the financial statements for the year ended 31 March 2025**

(All amounts are in Saudi Riyals unless otherwise stated)

20. FINANCIAL INSTRUMENTS

	Fair value through profit or	Amortized cost	Total
----- Amount in SR -----			
Financial assets			
Advances, prepaid expenses and other receivables	-	46,679	46,679
Due from related party	-	5,244,370	5,244,370
	-	5,291,049	5,291,049
Financial liabilities			
Due to related party	-	3,145,624	3,145,624
Accrued expenses and other payables	-	97,833	97,833
	-	3,243,457	3,243,457

20.1. Fair values of financial instruments

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 in an arm's length transaction. Financial instruments are comprised of financial assets and financial liabilities.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at 31st March 2025, the Company does not have any fair value instruments.

20.2. Financial risk management

The Company's activities expose it to a variety of financial risks, including market risk (comprised of currency risk, price risk and commission rate risk), credit risk and liquidity risk. The Company's risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

The financial instruments in the statement of financial position are comprised primarily of cash and cash equivalents, trade receivables, trade payables and balances due to related parties.

Senior management monitors the financial risk management department. The most important types of risk are summarized below:

Intellect Design Arena Arabia Limited**A Limited Liability Company****Notes to the financial statements for the year ended 31 March 2025**

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20.2.1 Credit risk

Credit risk is the risk that one party will fail to discharge an obligation and cause the other party to incur a financial loss. The Company seeks to manage its credit risk by dealing with reputable banks and with respect to customers by setting credit limits for individual customers, monitoring outstanding receivables and ensuring close follow-ups.

As at 31st March 2025, the Company is not exposed to any credit risk related to Trade receivables.

	Gross carrying	Impairment allowance
Less than 90 days	-	-
From 91 to 120 days	-	-
More than 120 days	-	-
Total	-	-

Cash and cash equivalents

Credit risk from balances with banks and financial institutions is managed by the Company's treasury personnel in accordance with the Company's policy. The Company keeps all bank balances in reputable banks and there is no credit risk for such balances.

20.2.2 Liquidity risk

Liquidity risk represents the Company's difficulties in providing funds to meet commitments associated with financial instruments. The Company's liquidity risk management policy is to ensure that sufficient liquidity and financing are available to meet its liabilities when due.

The amounts in the table below represent contractual undiscounted cash flows:

	Carrying amount	Total	Less than 3 months	From 3 months to 12 months
Accrued expenses and other payables	97,833	97,833	97,833	-
Due to related party	3,145,624	3,145,624	3,145,624	-
	3,243,457	3,243,457	3,243,457	-

20.2.3 Market risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market prices. Market risk comprises of three types of risk: currency risk, commission rate risk and price risk.

As at 31st March 2025, the Company is not exposed to any market risk related to financial instruments.

21. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were approved by the Company's management (i.e. General manager) and authorized for issue on 22-May-2025.