

TEXOL OILS FZC
HAMRIYAH FREE ZONE
SHARJAH, UNITED ARAB EMIRATES
FINANCIAL STATEMENTS AND REPORTS
FOR THE YEAR ENDED 31 MARCH 2025

TEXOL OILS FZC
HAMRIYAH FREE ZONE
SHARJAH, UNITED ARAB EMIRATES

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TEXOL OILS FZC
HAMRIYAH FREE ZONE
SHARJAH, UNITED ARAB EMIRATES

Managers' report for the year ended 31 March 2025

The Managers submit their report together with the audited financial statements of Texol Oils FZC for the year ended 31 March 2025.

Principal activities

The principal activities of the Company are manufacturing of grease & lubricants, grease & lubricants blending, beauty & personal care requisites manufacturing, refining & blending of petroleum products, petrochemicals & lubricants and import/export/storage/trading of petroleum products, petrochemicals, lubricants & grease, trading refined oil products. The Company has not generated any revenue during the year.

Financial results

The detailed financial results of the Company for the year ended 31 March 2025 are set out on page 6 of the financial statements.

	2025	2024
	AED	AED
	(12 months)	(15 months)
Revenue	-	-
Gross (loss)	(204,163)	(253,405)
Net (loss) for the year/period before tax	(525,454)	(657,494)
Net (loss) for the year/period after tax	<u>(525,454)</u>	<u>(657,494)</u>

Events after the reporting period

In the opinion of the Managers, no transaction or event of a material and unusual nature has occurred between the end of the year and the date of this report, that is likely to affect, substantially the result of the operations or the financial position of the Company.

Managers

The Managers of the Company at end of the year were:

- 1) Mr. Philip Simon
- 2) Mrs. Mini Simon

There were no changes to the shareholding structure during the year.

Auditors

The financial statements have been audited by FRG Chartered Accountants, who retire and being eligible, offer themselves for re-appointment.



Manager

Place: Sharjah

Date: 14.05.2025





CHARTERED ACCOUNTANTS

FRG/05/025/25

INDEPENDENT AUDITOR'S REPORT

The Shareholder
Texol Oils FZC
Hamriyah Free Zone
Sharjah, United Arab Emirates

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Texol Oils FZC** (the "Company"), Hamriyah Free Zone, Sharjah, United Arab Emirates which comprise the statement of financial position as at 31 March 2025, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Texol Oils FZC as at 31 March 2025, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company within the meaning of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Managers report but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we 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.



CHARTERED ACCOUNTANTS

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and their preparation in compliance with the applicable provisions of the applicable requirements of the implementing regulations of the authority, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the planning and performance of the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



CHARTERED ACCOUNTANTS

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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.

Report on other legal and regulatory requirements

Further, we also report that in our opinion, the financial statements for the year ended 31 March 2025:

- includes, in all material respects, the applicable requirements pursuant to Sharjah Emiri decree No. 6 of 1995 and the implementing Rules and Regulations issued there under by the Hamriyah Free Zone Authority;
- the Company has maintained proper books of account;
- we have obtained all the information we considered necessary for the purposes of our audit;
- Note 15 to the financial statements of the Company discloses material related party transactions and the terms under which they were conducted;
- based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended 31 March 2025 any of the applicable provisions of the Hamriyah Free Zone Authority, which would materially affect its activities or its financial position as at 31 March 2025.

FRG CHARTERED ACCOUNTANTS




Dr. Habib Darwish Saleh Alrahma

Registration No. 342

Place : Dubai

Date : May 15, 2025

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An Independent Member of

 AMERICA EUROPE ASIA AFRICA OCEANIA
 www.uccsglobal.org

Independent Affiliate of
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 Accounting Legal and Business Advisors
 An Strategic Alliance
 New York Mexico

TEXOL OILS FZC
HAMRIYAH FREE ZONE
SHARJAH, UNITED ARAB EMIRATES

Statement of financial position
as at 31 March 2025

	Notes	2025 AED	2024 AED
ASSETS			
Non-current assets			
Property, plant and equipment	6	35,756	40,172
Right of use asset	7	4,552,041	4,856,557
Intangible asset	8	9,952	11,659
Total non-current assets		<u>4,597,749</u>	<u>4,908,388</u>
Current assets			
Deposit		5,000	5,000
Cash and cash equivalents	10	<u>90,684</u>	<u>82,749</u>
Total current assets		<u>95,684</u>	<u>87,749</u>
Total assets		<u>4,693,433</u>	<u>4,996,137</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	11	100,000	100,000
Shareholders' current account	12	-	(100,000)
Accumulated (losses)		<u>(1,182,948)</u>	<u>(657,494)</u>
Total equity		<u>(1,082,948)</u>	<u>(657,494)</u>
Non-current liability			
Lease liabilities- non current portion	13	<u>4,732,581</u>	<u>4,828,301</u>
Total non current liability		<u>4,732,581</u>	<u>4,828,301</u>
Current liabilities			
Accruals	14	2,100	2,625
Lease liabilities- current portion	13	281,250	281,250
Due to related party	15	<u>760,450</u>	<u>541,455</u>
Total current liabilities		<u>1,043,800</u>	<u>825,330</u>
Total liabilities		<u>5,776,381</u>	<u>5,653,631</u>
Total equity and liabilities		<u>4,693,433</u>	<u>4,996,137</u>

The notes on pages 9 to 24 form an integral part of these financial statements.

For Texol Oils FZC

Place: Sharjah
Date: 14.05.2025



[Signature]
Manager

TEXOL OILS FZC
HAMRIYAH FREE ZONE
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Statement of comprehensive income
for the year ended 31 March 2025

	Notes	2025 AED (12 months)	2024 AED (15 months)
Income			
Revenue		-	-
Direct cost	16	(204,163)	(253,405)
Gross (loss)		(204,163)	(253,405)
Expenses			
Administration and general expenses	17	28,577	43,782
Finance charges	18	292,714	360,307
Total expenses		321,291	404,089
Net (loss) for the year/period before tax		(525,454)	(657,494)
Corporate tax		-	-
Net (loss) for the year/period after tax		(525,454)	(657,494)
Total comprehensive (loss) for the year/period		(525,454)	(657,494)

The notes on pages 9 to 24 form an integral part of these financial statements.



TEXOL OILS FZC
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Statement of changes in equity
for the year ended 31 March 2025

	Share capital AED	Shareholders' current account AED	Accumulated (losses) AED	Total AED
(15 months)				
Share capital introduced during the period	100,000	-	-	100,000
Net movement during the period	-	(100,000)	-	(100,000)
Total comprehensive (loss) for the period	-	-	(657,494)	(657,494)
Balance at 31 March 2024	100,000	(100,000)	(657,494)	(657,494)
(12 months)				
Total comprehensive income for the year	-	-	(525,454)	(525,454)
Net movement during the year	-	100,000	-	100,000
Balance at 31 March 2025	100,000	-	(1,182,948)	(1,082,948)

The notes on pages 9 to 24 form an integral part of these financial statements.



TEXOL OILS FZC
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Statement of cash flows
for the year ended 31 March 2025

	2025	2024
	AED	AED
	(12 months)	(15 months)
Cash flows from operating activities		
(Loss) for the year/period before tax	(525,454)	(657,494)
Adjustment for:		
Amortisation of intangible asset	1,707	1,991
Depreciation of right of use asset	199,747	249,427
Depreciation of property, plant and equipment	4,416	3,978
Interest on lease liability	290,299	355,130
Operating (loss) before working capital changes	(29,285)	(46,968)
(Increase) in deposit	-	(5,000)
(Decrease)/increase in accruals	(525)	2,625
Increase in due to related party	218,995	541,455
Net cash from operating activities	189,185	492,112
Cash flows from investing activities		
Purchase of property, plant and equipment	-	(44,150)
Purchase of intangible asset	-	(13,650)
Net cash (used in) investing activities	-	(57,800)
Cash flows from financing activities		
Share capital introduced during the period	-	100,000
Net movement in shareholders' current account	100,000	(100,000)
Lease liability paid during the year	(281,250)	(351,563)
Net cash (used in) financing activities	(181,250)	(351,563)
Net increase in cash and cash equivalents	7,935	82,749
Cash and cash equivalents at beginning of the period	82,749	-
Cash and cash equivalents at end of the period	90,684	82,749

The notes on pages 9 to 24 form an integral part of these financial statements.



TEXOL OILS FZC
HAMRIYAH FREE ZONE
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Notes to the financial statements
for the year ended 31 March 2025

1 General information

Texol Oils FZC (the “Company”) is a Free Zone Company with limited liability pursuant to Sharjah Emiri Decree No 6. of 1995 and the Implementing Regulations issued by Hamriyah Free Zone Authority. The Company is operating under Industrial License No. 24669 and also has Commercial License No. 24670 issued on 10 January 2023 by the Hamriyah Free Zone Authority, Sharjah, United Arab Emirates. The registered office of the Company is at Plot No. 2B-06,2B-07, Hamriyah Free Zone Authority, Sharjah, United Arab Emirates and the principal place of business of the Unit is located at Hamriyah Free Zone Authority, Sharjah, United Arab Emirates.

The principal activities of the Company are manufacturing of grease & lubricants, grease & lubricants blending, beauty & personal care requisites manufacturing, refining & blending of petroleum products, petrochemicals & lubricants and import/export/storage/trading of petroleum products, petrochemicals, lubricants & grease, trading refined oil products. The Company has not generated any revenue during the year.

The shareholding pattern of the Company at end of the year under review was as follows:

<i>Name of the shareholders</i>	<i>Nationality</i>	<i>No. of shares</i>	<i>% of share</i>	<i>Value of shares AED</i>
Gandhar Oil Refinery (India) limited	Indian	50	50%	50,000
ESPE Oils FZC	UAE	50	50%	50,000
Total		100	100%	100,000

As per the Commercial Licence, Mr. Philip Simon & Mrs. Mini Simon, Indian Nationals have been appointed as the Manager of the Company.

These financial statements relate to the period from 01 April 2024 to 31 March 2025.

2 Adoption of new and revised International Financial Reporting Standards (IFRSs)

2.1 New standards, interpretations and amendments effective for the current year

The following new and revised standards and interpretations have been adopted in the current year with no material impact on the disclosures and amounts reported for the current and previous years but may affect the accounting for future transactions or arrangements:

<i>International Accounting Standards (IAS/IFRSs)</i>	<i>Effective date</i>
Amendments to IFRS 16 Leases – Lease Liability in a Sale and Leaseback	1-Jan-2024
Amendments to IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-Current	1-Jan-2024
Amendments to IAS 1 Presentation of Financial Statements – Non-current Liabilities with Covenants	1-Jan-2024
Amendments to IAS 7 and IFRS 7 Supplier Finance Arrangements	1-Jan-2024

2.2 New standards, interpretations and amendments in issue but are not yet effective

Standards, amendments and interpretations issued but not yet effective at the date of authorisation of these financial statements are listed below. The Company intends to adopt those standards when they become effective.



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

2 Adoption of new and revised International Financial Reporting Standards (IFRSs) (continued)

2.2 New standards, interpretations and amendments in issue but are not yet effective (continued)

<i>International Accounting Standards (IAS/IFRSs)</i>	<i>Effective date</i>
Amendments to IAS 21 Lack of Exchangeability	1-Jan-2025
Amendments to the Classification and Measurement of Financial Instruments-	
Amendments to IFRS 9 and IFRS 7	1-Jan-2026
IFRS 18 Presentation and Disclosure in Financial Statements	1-Jan-2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1-Jan-2027
Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The management believes that the adoption of the above amendments are not likely to have any significant impact on the financial statements of the Company for future periods.

3 Significant accounting policies

3.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and applicable provisions of United Arab Emirates laws that are relevant to the operations of the Company for the year ended 31 March 2025 (the "reporting date").

3.2 Basis of preparation

These separate financial statements have been prepared under the historical cost convention, except for the revaluation of certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

3.3 Property, plant and equipment

Property, plant and equipment are initially recorded at cost together with any incidental expenses of acquisition or construction. Subsequently they are stated at cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the statement of comprehensive income during the financial year in which they are incurred.

In the case of leasehold improvements, it is assumed that the lease will continue to be renewed over the useful life.

Depreciation is calculated using the straight-line method to write off the cost of property, plant and equipment less their estimated residual values over their estimated useful lives, as follows:

Leasehold improvement

10 years



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

3 Significant accounting policies (continued)

3.3 Property, plant and equipment (continued)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

3.4 Intangible assets

Intangible assets that are acquired by the Company, which have finite useful lives, are measured at cost less accumulated amortization and accumulated impairment losses if any. Subsequent costs are capitalised, only when it is probable that future economic benefits associated with the item will flow to the Company. All other expenses are charged to the statement of comprehensive income during the financial period in which they are incurred. Amortization is charged to the statement of comprehensive income using the straight-line method to write off the cost of intangible assets over their estimated useful lives, from the date they are available for use and assessed for impairment when there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each reporting end period.

Amortisation on intangible assets is calculated using the straight-line method

Software	8 years
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3.5 Foreign currencies

Functional and presentation currency

The financial statements are presented in UAE Dirham (AED), which is the Company's functional and presentation currency and all values are rounded to the nearest Dirham.

Transaction and balances

Transactions in foreign currencies are translated into the functional currency using the exchange rates prevailing at the transaction dates. Monetary assets and liabilities expressed in foreign currencies at the reporting date are translated at rates of exchange ruling at the reporting date. Exchange differences arising in these cases are dealt with in the statement of comprehensive income. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

3.6 Corporate tax

Corporate tax

The Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (hereinafter referred to as the "Corporate Tax Law") was issued by the United Arab Emirates ("UAE") Ministry of Finance, on 09 December 2022. The Corporate Tax Law provides the legislative basis for the introduction and implementation of a Federal Corporate Tax ("Corporate Tax") in the UAE and is effective for financial years starting on or after 1 June 2023.



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

3 Significant accounting policies (continued)

3.6 Corporate tax (continued)

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. An expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity. The calculation of current and deferred tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

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 recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination or for transactions that give rise to equal taxable and deductible temporary differences) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amounts of deferred tax are reviewed at the end of each reporting period on the basis of its most likely amount and adjusted if needed. Assessing the most likely amount of current and deferred tax in case of uncertainties (eg as a result of the need to interpreting the requirements of the applicable tax law), requires the Company to apply judgments in considering whether it is probable that the Federal tax authority will accept the tax treatment retained.

3.7 Accruals

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether or not billed to the Company.

3.8 Finance charges

Finance charges that are directly attributable to the acquisition and constructing of property and equipment are capitalized as part of the cost of those assets. Other finance charges are recognized as an expense in the period in which they are incurred.

3.9 Cash and cash equivalents

Cash and cash equivalents consist of unrestricted bank balances.

3.10 Right of use asset

IFRS 16 changes how the Company accounts for leases previously classified as operating leases under IAS 17, which were off statement of financial position.

Applying IFRS 16, for all leases (except for short-term leases), the Company:

- (a) Recognises right-of-use assets in the statement of financial position, initially measured at the present value of the future lease payments, with the right-of-use asset adjusted by the amount of any prepaid or accrued lease payments in accordance with IFRS 16.
- (b) Recognises depreciation of right-of-use assets in the statement of comprehensive income over the shorter period of lease term and useful life of the underlying asset.



**TEXOL OILS FZC
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**Notes to the financial statements
for the year ended 31 March 2025**

3 Significant accounting policies (continued)

3.11 Leases

IFRS 16 Leases

Leases in which the Company is a lessee

The Company recognizes new assets and liabilities for its operating leases. The nature of expenses related to those leases has changed because the Company has recognized a depreciation charge for right-of-use asset and interest expense on lease liabilities.

Previously, the Company recognized operating lease expense on a straight-line basis over the term of the lease, and recognized assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognized.

In addition, the Company no longer recognizes provisions for operating leases that it assesses to be onerous. Instead, the Company will include the payments due under the lease in its lease liability.

Leases in which the Company is a lessor

The Company reassesses the classification of leases in which the Company is a lessor.

As at the reporting date, the Company has assessed the impact of requirements of IFRS 16 on its accounting for all leases where the Company is either the lessor or lessee.

Transition

The Company has applied IFRS 16 initially on 1 January 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting IFRS16 is recognized as an adjustment to the opening balances of accumulated losses at 1 January 2019, with no restatement of comparative information.

This means it has applied IFRS16 to all contracts entered into before 1 January 2019 and identified as leases in accordance with IAS 17 and IFRIC 4.

3.12 Provisions

Provisions are recognised 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 that obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.13 Financial instruments

(i) Recognition and initial measurement

Financial assets and financial liabilities are recognised in the Company's statement of financial position 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

3 Significant accounting policies (continued)

3.13 Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Financial assets (continued)

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI - debt investment; FVOCI - equity investment; or FVTPL.

The Company classifies its financial assets in the category of amortised cost. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised 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 FOCI 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; 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.

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 amortised cost or FOCI 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 amortised cost or at FOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at amortised cost using the effective interest method.

The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.



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3 Significant accounting policies (continued)

3.13 Financial instruments (continued)

Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is 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 recognised in profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) Derecognition

Financial assets

The Company derecognises 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 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.

The Company enters into transactions whereby it transfers assets recognised 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 derecognised.

(iii) Derecognition

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises 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 recognised 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 recognised in profit or loss.

(iv) Offsetting

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

3.14 Impairment

Financial assets

The Company recognises loss allowances for ECLs on:

- financial assets measured at amortised cost;
- debt investments measured at FOCI;
- and contract assets



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3 Significant accounting policies (continued)

3.14 Impairment (continued)

Financial assets (continued)

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs: -debt securities that are determined to have low credit risk at the reporting date; and - other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Under the simplified approach, the Company uses an allowance matrix to measure the ECLs of trade receivables from individual customers. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off.

Under the simplified approach, impairment allowances are always measured at an amount equal to lifetime ECL.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 120 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.



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3 Significant accounting policies (continued)

3.14 Impairment (continued)

Financial assets (continued)

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

Non Financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

3.15 Financial liabilities

All financial liabilities are initially measured at cost and are subsequently measured at amortized cost using the effective interest method.

3.16 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. It can also be a present obligation arising from the past events that is not recognized because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

Contingent liabilities are not recognized but are disclosed in the notes to the accounts. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognized as provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized but are disclosed in the notes to the accounts when an inflow of economic benefits is probable. When an inflow is virtually certain, an asset is recognized.

4 Critical accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.



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4 Critical accounting judgements, estimates and assumptions (continued)

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

a) Depreciation of property, plant and equipment

Management assigns useful lives and residual values to property, plant and equipment based on the intended use and the economic lives of those assets. Subsequent changes in circumstances could result in the actual useful lives or residual values differing from initial estimates. Where management determines that the useful life or residual value of an asset requires amendment, the net book amount in excess of the residual value is depreciated over the revised remaining useful life.

b) Impairment of assets

Assessments of net recoverable amounts of property, plant and equipment and all financial assets other than trade receivables (see below) are based on assumptions regarding future cash flows expected to be received from the related assets.

c) Useful life of leasehold improvements

The Company's management determines the estimated useful lives and related depreciation charges for its leased improvements. This estimate is based on an assumption that the Company will renew its annual lease for the building over the estimated useful life. It could change the depreciation charge should the annual lease not be renewed. Management will increase the depreciation charge where useful lives are less than previously estimated lives.

5 Going concern assumption

The Company has not generated any revenue during the year. These financial statements are prepared on a going concern basis which assumes that the Company will continue to operate as a going concern for the foreseeable future. During the year the Company incurred a net loss of AED 525,454 (2024 - AED 657,494) and as on the reporting date the accumulated losses AED 1,182,948 (2024 - AED 657,494) of the Company exceeds the share capital of the Company, and total liabilities of the Company exceeds total assets by AED 1,082,948 (2024 - AED 657,494). The continuance of the Company's operations is dependent on the assumption that the shareholders' will make sufficient funds available as may be necessary.



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Notes to the financial statements
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6 Property, plant and equipment

	Leasehold improvements AED
Cost	
At 31 March 2024	44,150
At 31 March 2025	44,150
Accumulated depreciation	
Charge for the period	3,978
At 31 March 2024	3,978
Charge for the year	4,416
At 31 March 2025	8,394
Carrying amount	
At 31 March 2025	35,756
At 31 March 2024	40,172

7 Right of use asset

	Total AED
Cost	
At 31 March 2024	5,105,984
Adjustment	(104,769)
At 31 March 2025	5,001,215
Depreciation	
Charge for the period	249,427
At 31 March 2024	249,427
Charge for the year	199,747
At 31 March 2025	449,174
Carrying amount	
At 31 March 2025	4,552,041
At 31 March 2024	4,856,557

IFRS 16 changes how the Company accounts for leases previously classified as operating leases under IAS 17, which were off statement of financial position.

Applying IFRS 16, for all leases (except for short-term leases), the Company:

(a) Recognises right-of-use assets in the statement of financial position, initially measured at the present value of the future lease payments, with the right-of-use asset adjusted by the amount of any prepaid or accrued lease payments in accordance with IFRS 16.



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7 Right of use asset (continued)

(b) Recognises depreciation of right-of-use assets in the statement of comprehensive income over the shorter period of lease term and useful life of the underlying asset.

The right of use asset relates to the right to use of premises rented on a long term basis located on Plot No. 2B-06, 2B-07, Hamriyah Free Zone, Sharjah, United Arab Emirates. The depreciation starts at the commencement date of the lease. The Company depreciates the right of use assets for a period of 25 years.

8 Intangible asset

	Software
	AED
Cost	
At 31 March 2024	13,650
At 31 March 2025	13,650
Amortization	
Charge for the period	1,991
At 31 March 2024	1,991
Charge for the year	1,707
At 31 March 2025	3,698
Carrying amount	
At 31 March 2025	9,952
At 31 March 2024	11,659

9 Corporate tax

Based on management's assessment as of the reporting date, the Company may meet the conditions to be treated as a Qualifying Free Zone Person and may derive Qualifying Income as defined under the applicable regulations. Accordingly, no deferred tax asset has been recognized in these financial statements for the reporting period. The Company may continue to assess compliance with the QFZP requirements on an ongoing basis and recognize corporate tax charges in future periods as necessary, should any of the qualifying conditions no longer be met.

10 Cash and cash equivalents	2025	2024
	AED	AED
Current account with bank	90,684	82,749
	90,684	82,749
11 Share capital	2025	2024
	AED	AED
100 shares of AED 1000 each	100,000	100,000
	100,000	100,000



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Notes to the financial statements
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12 Shareholders' current account

Shareholders' current account balances do not attract interest and there is no defined repayment arrangements.

13 Lease liability

IFRS 16 changes how the Company accounts for leases previously classified as operating leases under IAS 17, which were off statement of financial position.

Applying IFRS 16, for all leases (except for short-term leases), the Company:

(a) Recognises lease liabilities in the statement of financial position, initially measured at the present value of the future lease payments;

(b) Recognises interest on lease liabilities in the statement of comprehensive income;

The lease liabilities are initially measured at 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.

	2025	2024
	AED	AED
As at January 10, 2023 (upon adoption of IFRS 16)	5,109,551	5,105,984
Add : Interest charged during the year/period	290,299	355,130
Less: Adjustment during the year/period	(104,769)	-
Less: Paid during the year/period	(281,250)	(351,563)
	<u>5,013,831</u>	<u>5,109,551</u>

The above represents remaining value of lease payments of lease building discounted at the rate of 6% per annum.

Comprising of:

Lease liabilities- non current portion	<u>4,732,581</u>	<u>4,828,301</u>
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Non current portion represent instalments on lease liabilities not payable within 12 months from the reporting date.

Lease liabilities- current portion	<u>281,250</u>	<u>281,250</u>
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	2025	2024
	AED	AED

Accrued expenses	2,100	2,625
	<u>2,100</u>	<u>2,625</u>



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15 Related party transactions

The Company enters into various transactions in the normal course of business with related parties. Related parties include the shareholders, key management personnel, fellow subsidiaries, associates, joint ventures, directors and entities which are controlled directly or indirectly by the shareholders or directors or over which they exercise significant management influence.

The prices and terms of these transactions were approved by the management. Due to related parties do not attract interest and are payable on demand.

Balances and transactions between the Company and its related parties are described below:

Due to related party	2025	2024
	AED	AED
Texol Lubritech FZC, UAE	760,450	541,455
	760,450	541,455

The volume of related party transactions during the year/period were as follows:

	2025	2024
	AED	AED
Funds transferred to the Company	-	100,000
Expenses	218,995	441,455

16 Direct cost

	2025	2024
	AED	AED
	(12 months)	(15 months)
Depreciation (Note 6)	4,416	3,978
Depreciation on right to use asset (Note 7)	199,747	249,427
	204,163	253,405

17 Administration and general expenses

	2025	2024
	AED	AED
	(12 months)	(15 months)
Amortisation of intangible assets (Note 8)	1,707	1,991
Legal and professional charges	26,441	40,070
General expenses	429	1,721
	28,577	43,782

18 Finance charges

	2025	2024
	AED	AED
	(12 months)	(15 months)
Interest on lease liability (Note 13)	290,299	355,130
Bank charges	2,415	5,177
	292,714	360,307



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19 Financial instruments

The net carrying amounts of financial assets and financial liabilities at the end of the reporting period are classified as follows:

	2025	2024
	AED	AED
Financial assets - at amortised cost:		
Deposit	5,000	5,000
Cash and cash equivalents	90,684	82,749
	95,684	87,749
Financial liabilities - at amortised cost:		
Accruals	2,100	2,625
Lease liability	5,013,831	5,109,551
Due to related party	760,450	541,455
	5,776,381	5,653,631

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 3 to the financial statements.

20 Financial risk and capital management

20.1 Financial risk factors

The Company's financial risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects of the financial performance. Under the Company's risk management programme, management identifies and documents key risks and sets out policies and procedures required to mitigate these risks. The identified key risks are market risk, credit risk and liquidity risk:

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises: currency risk and interest rate risk. The Company's activities are exposed primarily to the financial risks of changes in foreign currency exchange rates.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The majority of the Company's financial assets and financial liabilities are either denominated in local currency (AED) or currencies fixed to the AED. The Company manages the risks through regular monitoring of the currency markets to determine appropriate action to minimise the exposure to the currency risk.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Company manages its liquidity risk by ensuring it has sufficient liquid cash balances to meet its payment obligations as they fall due. The Company maintains good working relations with its banks and ensures compliance with the covenants as stipulated in facility agreements.



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20 Financial risk and capital management (continued)

20.1 Financial risk factors (continued)

b) Liquidity risk

The table analyses the Company's remaining contractual maturity or its financial liabilities based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. The contractual maturity is based on the earliest date on which the Company may be required to pay.

As at 31 March 2025	Less than 1 year AED	More than 1 year AED	Total AED
Lease liability	281,250	4,732,581	5,013,831
Accrual	2,100	-	2,100
Due to related party	760,450	-	760,450

As at 31 March 2024	Less than 1 year AED	More than 1 year AED	Total AED
Lease liability	281,250	4,828,301	5,109,551
Accruals	2,625	-	2,625
Due to related party	541,455	-	541,455

20.2 Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders by pricing products and services commensurately with the level of risk.

The Company sets the amount of capital funds in accordance with the planned level of operations and in proportion to the levels of risk. The Company manages the equity and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the equity, the Company may adjust the amount of dividends paid to shareholders, return funds to shareholders, issue new shares, or sell assets to reduce its exposure to debt.

21 Commitments

There were no material capital commitments at the reporting date.

22 Contingent liabilities

There are no material contingent liabilities at the reporting date.

23 Comparative figures

Previous year's figures which relates to fifteen months have been regrouped or reclassified wherever necessary and are not comparable to those of the current year.

