

ABC Engineering (L.L.C)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

6 Finance costs, net

	2020 AED'000	2019 AED'000
Finance costs		
Interest on bank borrowings	1,126	4,388
Interest on lease liabilities (note 25)	6	27
Interest charged on related party balances (note 21)	188	-
	<u>1,320</u>	<u>4,415</u>
Finance income;		
Interest income on related party balances (note 21)	-	(408)
	<u>-</u>	<u>(408)</u>
Finance cost, net	<u><u>1,320</u></u>	<u><u>4,007</u></u>

Interest rate on bank borrowings is disclosed in note 20. Interest on related party balances is at the floating rate of 2.0% to 3.0% (2019: 3.0 % to 3.5%) per annum.

7 General and administrative expenses

	2020 AED'000	2019 AED'000
Staff cost (Note 8)	32,262	54,342
Data processing expenses	6,497	6,432
Corporate cost allocation	3,529	4,022
Legal and consultancy charges	3,133	3,681
Depreciation on Property, Plant & Equipment (Note 9)	1,607	1,979
Depreciation on ROU	554	652
Communication	2,936	1,436
Insurance	2,889	3,896
Distribution and warehousing	2,877	3,028
Shared service charges	2,062	1,610
Electricity	1,623	1,649
Stationery	1,473	1,081
Amortization of Intangible assets (Note 10)	1,353	179
Rent	1,095	6,951
Travel	9	1,851
Other expenses	7,644	5,627
	<u>71,543</u>	<u>98,416</u>

8 Staff cost

	2020 AED'000	2019 AED'000
Salaries	61,160	70,032
Other benefits	63,531	232,918
Employees end of service benefits (note 18)	4,576	4,174
	<u>129,267</u>	<u>307,124</u>
	<u><u>129,267</u></u>	<u><u>307,124</u></u>
	2020 AED'000	2019 AED'000
Direct costs	97,005	252,782
General and administrative expenses (Note 7)	32,262	54,342
	<u>129,267</u>	<u>307,124</u>
	<u><u>129,267</u></u>	<u><u>307,124</u></u>