

## ABC Engineering (L.L.C)

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

| 2020  | 2019<br>Notes | AED'000         | AED'000         |
|---|---------------|-----------------|-----------------|
| <b>Cash flows from operating activities</b>   |               |                 |                 |
| Profit for the year   |               | 31,439          | 4,032           |
| <b>Adjustments for:</b>   |               |                 |                 |
| Depreciation of property and equipment  | 9             | 3,407           | 4,437           |
| Amortization of intangible assets   | 10            | 1,353           | 179             |
| Depreciation on right-of-use assets   | 25            | 554             | 652             |
| Interest on lease liabilities   | 25            | 6               | 27              |
| Movement in cash flow hedge   | 24            | -               | (6)             |
| Impairment loss on trade receivables  | 13            | 7486            | -               |
| Provision for employees' end of service benefits  | 18            | 4,576           | 4,174           |
| Gain on sale of property and equipment  | 9             | (181)           | (81)            |
| Finance income  | 6             | -               | (408)           |
| Finance cost  | 6             | 1,314           | 4,415           |
| <b>Operating cash flows before payment of employees' end of service benefits and changes in working capital</b> |               | <b>49,954</b>   | <b>17,421</b>   |
| Employees' end of service benefits paid   | 18            | (1,576)         | (3,666)         |
| <b>Changes in working capital:</b>  |               |                 |                 |
| Inventories   |               | 358             | 2,423           |
| Contract assets   |               | 4,593           | 34,616          |
| Trade and other receivables   |               | 13,546          | 52,606          |
| Due from related parties  |               | 117,652         | 31,993          |
| Trade and other payables  |               | (39,474)        | (39,355)        |
| Contract liabilities  |               | (4,620)         | (68,435)        |
| Retention receivables   |               | (15,070)        | (57,424)        |
| Due to related parties  |               | (104,840)       | 2,603           |
| <b>Net cash flows generated from/(used in) operating activities</b>   |               | <b>20,523</b>   | <b>(27,223)</b> |
| <b>Cash flows from investing activities</b>   |               |                 |                 |
| Purchase of property, plant and equipment   | 9             | (4,840)         | (2,440)         |
| Proceeds from sale of property, plant and equipment   |               | 1,184           | 116             |
| Interest received   |               | -               | 408             |
| <b>Net cash flows used in investing activities</b>  |               | <b>(3,656)</b>  | <b>(1,916)</b>  |
| <b>Cash flows from financing activities</b>   |               |                 |                 |
| Dividends paid  |               | (467)           | (11,841)        |
| Principal payment on lease liabilities  |               | (578)           | (661)           |
| Interest on lease liabilities   |               | (6)             | (27)            |
| Loan from related parties   |               | 11,533          | 8,783           |
| Drawdown of trust receipts  |               | 165,755         | 34,811          |
| Repayment of trust receipts   |               | (189,590)       | -               |
| Interest paid   | 6             | (1,314)         | (4,415)         |
| <b>Net cash flows (used in)/generated from financing activities</b>   |               | <b>(14,667)</b> | <b>26,650</b>   |
| <b>Net increase / (decrease) in cash and cash equivalents</b>   |               | <b>2,200</b>    | <b>(2,489)</b>  |
| Cash and cash equivalents at the beginning of the year  |               | 997             | 3,486           |
| <b>Cash and cash equivalents at the end of the year</b>   | 14            | <b>3,197</b>    | <b>997</b>      |
| <b>Non-cash transactions</b>  |               |                 |                 |