

**TRISTAN MANAGEMENT CONSULTING FZE
UAQ FREE TRADE ZONE
UMM AL QUWAIN - UNITED ARAB EMIRATES**

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2022**

**TRISTAN MANAGEMENT CONSULTING FZE
UAQ FREE TRADE ZONE
UMM AL QUWAIN - UNITED ARAB EMIRATES**

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2022**

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER

Report on the Financial Statements

We have audited the accompanying financial statements of **Tristan Management Consulting FZE, UAQ Free Trade Zone, Umm Al Quwain – United Arab Emirates** which comprise the statement of financial position as on December 31, 2022 and the statement of comprehensive income, statement of changes in shareholder's equity, statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Generally Accepted Accounting Principles (GAAP), to ensure that the financial statements comply with entity's Articles of Association and the Provision of Emiri Decrees number 2 of 1987 and 3 of 2014 with respect of establishing the Umm Al Quwain Free Trade Zone Authority and its amendments and Implementing Rules and Regulations issued by the UAQ Free Trade Zone Authority pursuant to Law No. (3) of 2014 applicable for entities in UAQ Free Trade Zone, Umm Al Quwain. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance, whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Auditor's Responsibility (continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion; the financial statements present fairly in all material respects, the financial position of **Tristan Management Consulting FZE, UAQ Free Trade Zone, Umm Al Quwain – United Arab Emirates** as of December 31, 2022 and of its financial performance and cash flows for the year then ended, in accordance with Generally Accepted Accounting Principles (GAAP).

Report on other legal and regulatory requirements

As required by the applicable Provision of Emiri Decrees number 2 of 1987 and 3 of 2014 with respect of establishing the Umm Al Quwain Free Trade Zone Authority and its amendments and Implementing Rules and Regulations issued by the UAQ Free Trade Zone Authority pursuant to Law No. (3) of 2014 applicable for entities in UAQ Free Trade Zone, Umm Al Quwain, we further confirm that,

1. We have obtained all the information and explanations necessary for our audit.
2. We are not aware of any contraventions during the year, of the above mentioned Law, which may have materially effected the financial position of the Establishment, or the result of its operations during the year.



K. Ramu
Managing Partner
AL KTTBI & ASSOCIATES
CHARTERED ACCOUNTANTS
DUBAI – UNITED ARAB EMIRATES
Reg. No.: (465)
Date: June 20, 2023



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Tristan Management Consulting FZE
 UAQ Free Trade Zone, Umm Al Quwain - United Arab Emirates

Statement of Financial Position
 As of December 31, 2022 and 2021
 (In United Arab Emirates Dirham)

	Notes	2022	2021
<i>Assets</i>			
<i>Noncurrent assets:</i>			
Loan to third party		4,060,005	4,060,005
Total noncurrent assets		4,060,005	4,060,005
<i>Current assets:</i>			
Other receivables	4	15,388	10,643
Cash and banks	7	507,980	1,085,339
Total current assets		523,368	1,095,982
Total assets		4,583,373	5,155,987
<i>Equity & Liabilities</i>			
<i>Shareholder's equity:</i>			
Share capital	2	300,000	300,000
Retained earnings	8	495,656	1,043,293
Shareholder's equity		795,656	1,343,293
Shareholder's current account	9	(25,623)	(25,623)
Total shareholder's funds		770,033	1,317,670



Tristan Management Consulting FZE
UAQ Free Trade Zone, Umm Al Quwain - United Arab Emirates

Statement of Financial Position (continued)

As of December 31, 2022 and 2021

(In United Arab Emirates Dirham)

	Notes	2022	2021
<i>Noncurrent liabilities:</i>			
Loan from third party	5	1,353,335	1,353,335
Total noncurrent liabilities		1,353,335	1,353,335
<i>Current liabilities:</i>			
Other payables	11	-	24,977
Amounts due to related party	5	2,460,005	2,460,005
Total current liabilities		2,460,005	2,484,982
Total liabilities		3,813,340	3,838,317
Total shareholder's equity and liabilities		4,583,373	5,155,987

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

The Report of the Auditors is set out on pages 1 and 2.

The financial statements on pages 3 to 17 were approved and signed by the Director on June 20, 2023:


Director

Tristan Management Consulting FZE



Tristan Management Consulting FZE
UAQ Free Trade Zone, Umm Al Quwain - United Arab Emirates

Statement of Comprehensive Income
For the year ended December 31, 2022 and 2021
(In United Arab Emirates Dirham)

	Notes	2022	2021
Revenue	12	6,640,426	2,043,908
Direct cost	13	(948,873)	-
Gross profit		5,691,553	2,043,908
General and administrative expenses	14	(3,055,420)	(1,361,297)
Finance cost	15	(147,355)	(121,215)
Total comprehensive income for the year	8	2,488,778	561,396

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

The Report of the Auditors is set out on pages 1 and 2.

The financial statements on pages 3 to 17 were approved and signed by the Director on June 20, 2023:


Director
Tristan Management Consulting FZE



Tristan Management Consulting FZE
 UAQ Free Trade Zone, Umm Al Quwain - United Arab Emirates

Statement of Changes in Shareholder's Equity
 For the year ended December 31, 2022 and 2021
 (In United Arab Emirates Dirham)

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Shareholder's equity</u>	<u>Shareholder's current account</u>	<u>Total</u>
As at January 1, 2021	300,000	1,095,832	1,395,832	(25,623)	1,370,209
<i>Changes in Shareholder's Equity:</i>					
a) Total comprehensive income for the year	-	561,396	561,396	-	561,396
b) Dividend declared & paid	-	(613,935)	(613,935)	-	(613,935)
As at December 31, 2021	300,000	1,043,293	1,343,293	(25,623)	1,317,670
<i>Changes in Shareholder's Equity:</i>					
a) Total comprehensive income for the year	-	2,488,778	2,488,778	-	2,488,778
b) Dividend declared & paid	-	(3,036,415)	(3,036,415)	-	(3,036,415)
c) Net movement	-	-	-	-	-
As at December 31, 2022	300,000	495,656	795,656	(25,623)	770,033

The accompanying notes form an integral part of these financial statements.
 The Report of the Auditors is set out on pages 1 and 2.



Tristan Management Consulting FZE
UAQ Free Trade Zone, Umm Al Quwain - United Arab Emirates

Statement of Cash Flows
For the year ended December 31, 2022 and 2021
(In United Arab Emirates Dirham)

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Total comprehensive income for the year	2,488,778	561,396
(Increase) in other receivables	(4,745)	(10,643)
(Decrease)/increase in other payables	(24,977)	24,977
Increase in due to related party	-	2,460,005
Net cash from operating activities	<u>2,459,056</u>	<u>3,035,735</u>
Cash flows from financing activities		
Opening balance - net	-	1,370,209
Net movement in loans from third party	-	1,353,335
Net movement in loans to third party	-	(4,060,005)
Dividend declared and paid	(3,036,415)	(613,935)
Net cash (used in) financing activities	<u>(3,036,415)</u>	<u>(1,950,396)</u>
<i>Net (decrease)/increase in cash and cash equivalents</i>	(577,359)	1,085,339
Cash and cash equivalents, beginning of the year	1,085,339	-
Cash and cash equivalents, end of the year	<u>507,980</u>	<u>1,085,339</u>
Represented by:		
Cash at bank	<u>507,980</u>	<u>1,085,339</u>
	<u>507,980</u>	<u>1,085,339</u>

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

The Report of the Auditors is set out on pages 1 and 2.



Tristan Management Consulting FZE
UAQ Free Trade Zone, Umm Al Quwain – United Arab Emirates

Notes to the Financial Statements
For the year ended December 31, 2022 and 2021

1 Legal status and business activity:

- 1.1 **Tristan Management Consulting FZE, UAQ Free Trade Zone, Umm Al Quwain– United Arab Emirates** (“the Establishment”) was incorporated on April 10, 2018 and operates as an Establishment under a service license issued by the Umm Al Quwain Free Trade Zone Authority of the Government of Umm Al Quwain.
- 1.2 The principal activity of the Establishment is management consultancy.
- 1.3 The registered office of the Establishment is located at Al Shmookh Business Center, One UAQ, P.O. Box No. 334470, UAQ Free Trade Zone, Umm Al Quwain, United Arab Emirates.
- 1.4 The management and control are vested with Mr. Costas Andreas Ioannou, Manager.
- 1.5 These financial statements incorporate the operating results of the Establishment with service license No. 4940.

2 Share capital:

Authorised, issued and paid up capital of the Establishment is AED 300,000/- divided into 300 shares of AED 1,000/- each, fully paid.

The break-up of the shareholding as on December 31, 2022 was as follows:

<u>Name</u>	<u>Nationality</u>	<u>Percentage holding</u>	<u>AED</u>
Mr. Alexander Sidorov	Cypriot	100%	300,000



Tristan Management Consulting FZE
UAQ Free Trade Zone, Umm Al Quwain – United Arab Emirates

Notes to the Financial Statements (continued)
For the year ended December 31, 2022 and 2021

3 Summary of significant accounting policies:

Basis of preparation:

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles (GAAP), and applicable requirements of the U.A.E. Law. A summary of the significant accounting policies, which have been applied consistently, are set out below:

a) Accounting convention

These financial statements have been prepared under historical cost convention basis.

b) Impairment of assets

All assets are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in the statement of comprehensive income.

c) Employees' terminal benefits

Amounts required to cover end of service indemnity at the statement of financial position date are computed pursuant to the United Arab Emirates Federal Labour Law based on the employees' accumulated year of service and current basic remuneration at the statement of financial position date.

Employees' terminal benefits are accounted on cash payment basis.

d) Financial expenses

Financial expenses are accounted in the statement of comprehensive income in the year in which they are incurred. Except to the extent, that the borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets shall be capitalised as part of cost of that asset.



Tristan Management Consulting FZE
UAQ Free Trade Zone, Umm Al Quwain – United Arab Emirates

Notes to the Financial Statements (continued)
For the year ended December 31, 2022 and 2021

3 Summary of significant accounting policies (continued):

e) Revenue recognition

When the outcome of the transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction shall be recognised by reference to stage of completion of the transaction at the financial position date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- i. The amount of revenue can be measured reliably;
- ii. It is probable that the economic benefits associated with the transaction will flow to the entity;
- iii. The stage of completion of the transaction at the statement of financial position date can be measured reliably; and
- iv. The cost incurred for the transaction and the costs to complete the transaction can be measured reliably.

f) Foreign currencies

Transactions denominated in foreign currencies are initially recorded at the rates of exchange prevailing on the dates of the transactions.

Monetary items denominated in foreign currencies are translated at the rates prevailing on the statement of financial position date. Gains and losses arising are included in the statement of comprehensive income.

Non-monetary items that are measured in a foreign currency are translated using the exchange rate at the date when the fair value was determined.



Tristan Management Consulting FZE
UAQ Free Trade Zone, Umm Al Quwain – United Arab Emirates

Notes to the Financial Statements (continued)
For the year ended December 31, 2022 and 2021

3 Summary of significant accounting policies (continued):

g) Financial instruments

Financial instruments comprise financial assets and financial liabilities. Financial assets and financial liabilities are recognised on the entity's statement of financial position when the entity has become a party to the contractual provisions of the instrument. A financial asset is any asset that is cash, a contractual right to receive cash or other financial asset, a contractual right to exchange financial instruments under conditions that are potentially favourable or an equity instrument. A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset, or to exchange financial instruments under conditions that are potentially unfavourable.

h) Cash and cash equivalents

For the purpose of the statement of cash flow, cash and cash equivalents comprise cash in hand, balance with bank and deposits with banks, within a maturity date of three months or less from the date of deposit, free of encumbrances.



Tristan Management Consulting FZE
UAQ Free Trade Zone, Umm Al Quwain - United Arab Emirates

Notes to the Financial Statements (continued)
For the year ended December 31, 2022 and 2021

4 Other receivables

	As of December 31,	
	2022	2021
	AED	AED
Value added tax receivable	11,199	6,454
Other receivables	4,189	4,189
	<u>15,388</u>	<u>10,643</u>

5 Related parties transactions

The Establishment enters into transactions with companies and entities that fall within the definition of a related party. Such transactions are in normal course of business and at terms that correspond to those on normal arms-length transactions with third parties. Related parties comprise companies and entities under common ownership and/or common management and control; their partners and key management personnel.

The Establishment provides funds to related parties as and when required as working capital facilities.

At the statement of financial position date, trade and nontrade balances with related parties were as follows:

Amounts due to related party

	As of December 31,	
	2022	2021
	AED	AED
Mr. Alexander Sidorov	2,460,005	2,460,005
	<u>2,460,005</u>	<u>2,460,005</u>



Tristan Management Consulting FZE
UAQ Free Trade Zone, Umm Al Quwain - United Arab Emirates

Notes to the Financial Statements (continued)
For the year ended December 31, 2022 and 2021

6 Loan to third party

	As of December 31,	
	2022	2021
	AED	AED
M/S. Central Step International Limited, Hong Kong	4,060,005	4,060,005
	<u>4,060,005</u>	<u>4,060,005</u>

As represented by the management the above loan mutually agreed and is free of interest and without any fixed repayment schedule.

7 Cash and banks

	As of December 31,	
	2022	2021
	AED	AED
Bank balance	507,980	1,085,339
	<u>507,980</u>	<u>1,085,339</u>

Bank balance were taken based on bank statements only.



Tristan Management Consulting FZE
UAQ Free Trade Zone, Umm Al Quwain - United Arab Emirates

Notes to the Financial Statements (continued)
For the year ended December 31, 2022 and 2021

8 Retained earnings

	<u>As of December 31,</u>	
	<u>2022</u>	<u>2021</u>
	AED	AED
Opening balance	1,043,293	1,095,832
Total comprehensive income for the year	2,488,778	561,396
Dividend declared & paid	<u>(3,036,415)</u>	<u>(613,935)</u>
Closing balance	<u><u>495,656</u></u>	<u><u>1,043,293</u></u>

9 Shareholder's current account
(Mr. Alexander Sidorov)

	<u>As of December 31,</u>	
	<u>2022</u>	<u>2021</u>
	AED	AED
Opening balance	<u>(25,623)</u>	<u>(25,623)</u>
Closing balance	<u><u>(25,623)</u></u>	<u><u>(25,623)</u></u>

10 Loan from third party

	<u>As of December 31,</u>	
	<u>2022</u>	<u>2021</u>
	AED	AED
Mr. Alexei Semenov	<u>1,353,335</u>	<u>1,353,335</u>
	<u><u>1,353,335</u></u>	<u><u>1,353,335</u></u>

The above loan is at 10% p.a. rate of interest and is payable 3 years after the drawdown date.

11 Other payables

	<u>As of December 31,</u>	
	<u>2022</u>	<u>2021</u>
	AED	AED
Value added payable	<u>-</u>	<u>24,977</u>
	<u><u>-</u></u>	<u><u>24,977</u></u>



Tristan Management Consulting FZE
 UAQ Free Trade Zone, Umm Al Quwain - United Arab Emirates

Notes to the Financial Statements (continued)
 For the year ended December 31, 2022 and 2021

12 Revenue

	For the year ended December 31,	
	2022	2021
	AED	AED
Revenue	6,640,426	2,043,908
	<u>6,640,426</u>	<u>2,043,908</u>
	For the year ended December 31,	
	2022	2021
	AED	AED

Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers.

Segments

Type of services

Management consultancies	6,640,426	2,043,908
Total revenue	<u>6,640,426</u>	<u>2,043,908</u>

Geographical markets

Within U.A.E.	129,307	-
Outside U.A.E.	6,511,119	2,043,908
Total revenue	<u>6,640,426</u>	<u>2,043,908</u>

13 Direct cost

	For the year ended December 31,	
	2022	2021
	AED	AED
Direct cost	948,873	-
	<u>948,873</u>	<u>-</u>



Tristan Management Consulting FZE

UAQ Free Trade Zone, Umm Al Quwain - United Arab Emirates

Notes to the Financial Statements (continued)

For the year ended December 31, 2022 and 2021

14 General and administrative expenses

	For the year ended December 31,	
	2022	2021
	AED	AED
Salaries & other related benefits	375,181	175,786
Rent, legal, visa and taxes	525,862	72,289
Professional fee	531,754	316,237
Business promotion	1,306,508	236,475
Forex loss	80,418	92,562
Other administrative	235,697	467,948
	3,055,420	1,361,297

15 Finance cost

	For the year ended December 31,	
	2022	2021
	AED	AED
Interest on loan	116,719	102,409
Bank charges	30,636	18,806
	147,355	121,215

16 Financial instruments

Financial instruments of the Establishment comprise of cash at bank, other receivables, due to/from related party and other payables.

Credit risk

Financial assets which potentially expose the Establishment to concentration of credit risk comprise principally bank accounts, loan to related party and other receivables.

The Establishment's bank accounts are placed with high credit quality financial institutions.

Currency risk

There are significant exchange rate risks most of the transaction in Euro.



Tristan Management Consulting FZE
UAQ Free Trade Zone, Umm Al Quwain - United Arab Emirates

Notes to the Financial Statements (continued)
For the year ended December 31, 2022 and 2021

16 Financial instruments (continued)

Interest rate risk

The Establishment is not exposed to any significant interest rate risk.

Fair values

At the statement of financial position date, the fair values of financial assets and liabilities, approximate to their carrying amounts.

17 Contingent liability

Except for the ongoing business obligations which are under normal course of business against which no loss is expected, there has been no known contingent liability on Establishment's account, as of statement of financial position date.

18 Comparative amounts

Certain amounts for the prior year were reclassified to conform to current year presentation. However, such reclassification do not have any material impact on the results of the operations or financial position previously reported.

