

**Global Energy Services Est for Trading**  
(Saudi one person Est)  
**Financial Statements For The Year Ended**  
**On December 31 ,2024**  
**And Independent Auditor's Report**

**Global Energy Services Est for Trading**

(Saudi one person Est )

**Index Of The Financial Statements****For The Year Ended December 31 2024**

---

<u>Description</u>	<u>Page no.</u>
• Independent auditor's report	2-4
• Statement of financial position	5
• Statement of profit or loss and other comprehensive income	6
• Statement of changes in owners' equity	7
• Statement of cash flows	8
• Notes to the Financial Statements	9-24

## Independent auditor's report

To the honorable partners,

**Global Energy Services Est for Trading**

(Saudi one person Est)

**Al Khobar - Kingdom of Saudi Arabia**

**Report on the audit of financial statements**

### **Opinion:**

We have audited the financial statements of **Global Energy Services Est for Trading** "Saudi one person Est", which includes the statement of financial position as on December 31, 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity, and statement of cash flows for the year ended at December 31, 2024, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024, and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards for Small and Medium-sized Entities ("IFRS for SMEs") endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by the Saudi Organization for Auditors and Accountants.

### **Basis of Opinion:**

We conducted our audit in accordance with international standards on auditing (ISAS) 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 that are endorsed in the kingdom of Saudi Arabia that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with its 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 financial statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with international financial reporting standard for small and medium – sized entities (IFRS for SMEs) endorsed in the kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi organization for certified public accountants (SOCPA) and the provisions of Companies' Law 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.

## **Report on the audit of financial statements(continued)**

### **Global Energy Services Est for Trading (continued)**

#### **Responsibilities of management and those charged with governance for financial statements (continued)**

In preparing the financial statements, management is responsible for assessing the company 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 branch or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company 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.

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 branch internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

**Report on the audit of financial statements(continued)****Global Energy Services Est for Trading (continued)****Auditor's responsibilities for the audit of the financial statements(continued)**

- 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 branch 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 branch 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.

**EDRAK GLOBAL.**

**CHARTERED ACCOUNTANTS & AUDITORS**

**Salman Abdul Rahman Al Thumairy**

**LICENSE NO. 741**

**March 17, 2025**

**17 Ramadan 1446H**

**Global Energy Services Est for Trading**

Saudi one person Est

**Financial Position Statement As At December 31, 2024**

(All amounts are in Saudi Riyals)

	<u>NOTE</u>	<u>December 31,2024</u>	<u>December 31,2023</u>
<b><u>Assets</u></b>			
<b><u>Current Assets</u></b>			
Cash And Cash Equivalents	5	1,131,654	187,695
Trade Receivables	6	6,700,263	2,090,249
Prepayments And Other debit balances	7	215,231	606,606
Inventory	8	495,002	1,063,958
Due from Related Parties	9	-	95,642
<b>Total Current Assets</b>		<b>8,542,150</b>	<b>4,044,150</b>
<b><u>Non Current Assets</u></b>			
Property , Plant And Equipment - Net	10	305,228	57,180
<b>Total Non Current Assets</b>		<b>305,228</b>	<b>57,180</b>
<b>Total Assets</b>		<b>8,847,378</b>	<b>4,101,330</b>
<b><u>Liabilities &amp; Share Holders' Equity</u></b>			
<b><u>Current Liabilities</u></b>			
Trade Payables		88,646	76,817
Accrued Expenses & Other credit balances	11	165,820	268,422
Zakat and Tax provision	12	214,216	119,677
<b>Total Current Liabilities</b>		<b>468,682</b>	<b>464,916</b>
<b><u>Non - Current Liabilities</u></b>			
Due To Related Parties	9	5,742,258	-
Provision For End Of Service Employee Benefits	13	184,952	149,213
<b>Total Non - Current Liabilities</b>		<b>5,927,210</b>	<b>149,213</b>
<b>Total Liabilities</b>		<b>6,395,892</b>	<b>614,129</b>
<b><u>Share Holders' Equity</u></b>			
Capital	14	100,000	100,000
Retained earnings		2,351,486	3,387,201
<b>Total Share Holders' Equity</b>		<b>2,451,486</b>	<b>3,487,201</b>
<b>Total Liabilities &amp; Share Holders' Equity</b>		<b>8,847,378</b>	<b>4,101,330</b>

The Accompanying Notes From (1) To (20) Form An Integral Part Of These Financial Statements.

**Global Energy Services Est for Trading**

Saudi one person Est

**Statement of Profit Or Loss And Other Comprehensive Income For The Year Ended December 31, 2024**

(All amounts are in Saudi Riyals)

	<b>Note</b>	<b>December 31,2024</b>	<b>December 31,2023</b>
Revenue		13,234,120	3,997,569
Operating Cost	15	(12,915,674)	(3,051,845)
<b>Gross Profit</b>		<b>318,446</b>	<b>945,724</b>
General and Administrative Expenses	16	(1,026,407)	(1,080,520)
<b>Operating losses</b>		<b>(707,961)</b>	<b>(134,796)</b>
Other Income	17	54,543	84,023
Trade Receivables Value impairment Expense		-	(143,204)
Currency EXCHANGE LOSS		(95,131)	-
Refund of allocations for which the purpose was not fulfilled		143,204	-
<b>Net Loss Before Zakat</b>		<b>(605,345)</b>	<b>(193,977)</b>
zakat expense	12 / A	(430,370)	(119,677)
<b>Loss For the Year</b>		<b>(1,035,715)</b>	<b>(313,654)</b>
Other Comprehensive Income		-	-
<b>Total Comprehensive Income</b>		<b>(1,035,715)</b>	<b>(313,654)</b>

The Accompanying Notes From (1) To (20) Form An Integral Part Of These Financial Statements.

**Global Energy Services Est for Trading**

Saudi one person Est

**Statement Of Changes In Owners Equity For The Year Ended December 31, 2024**

(All amounts are in Saudi Riyals)

	<b>Capital</b>	<b>Retained earnings</b>	<b>Total</b>
<b>Balance As Of January 01,2023</b>	100,000	12,242,416	12,342,416
Net Loss For The Year	-	(313,654)	(313,654)
Other comprehensive Income	-	-	-
Total comprehensive Income	-	(313,654)	(313,654)
Paid dividends	-	(8,541,561)	(8,541,561)
<b>Balance As Of December 31,2023</b>	<b>100,000</b>	<b>3,387,201</b>	<b>3,487,201</b>
Net Loss For The Year	-	(1,035,715)	(1,035,715)
Other comprehensive Income	-	-	-
Total comprehensive Income	-	(1,035,715)	(1,035,715)
<b>Balance As Of December 31,2024</b>	<b>100,000</b>	<b>2,351,486</b>	<b>2,451,486</b>

The Accompanying Notes From (1) To (20) Form An Integral Part Of These Financial Statements.



**Global Energy Services Est for Trading**

Saudi one person Est

**Cash Flows Statement For The Year Ended December 31, 2024**

(All amounts are in Saudi Riyals)

	<u>December 31,2024</u>	<u>December 31,2023</u>
<b><u>Cash Flow From Operating Activities:</u></b>		
Net Loss Before Zakat	(605,345)	(193,977)
<b><u>Adjustments</u></b>		
Depreciation of Property , Plant And Equipment	39,244	57,447
Provision For End Of Service Employee Benefits - Additional	35,739	28,247
Trade Receivables Value impairment Provision	-	143,204
InventoryValue impairment Provision	1,000,000	-
<b><u>Change In Operating Assets and Liabilities</u></b>		
Trade Receivables	(4,610,014)	923,026
Prepayments And Other debit balances	391,375	(114,938)
Inventory	(431,044)	116,258
Trade Payables	11,829	76,817
Accrued Expenses & Other credit balances	(102,602)	256,270
Provision For End Of Service Employee Benefits - Paid	-	-
<b>Cash (used in) Provided From Operating Activities</b>	<b>(4,270,818)</b>	<b>1,292,354</b>
Provision For Zakat - Paid	(335,831)	(275,181)
<b>Net Cash (used in) Provided From Operating Activities</b>	<b>(4,606,649)</b>	<b>1,017,173</b>
<b><u>Cash Flow From Investing Activities:</u></b>		
Payments for the purchase property, plant and equipment	(287,292)	(2,174)
<b>Net Cash (used in) Investing Activities</b>	<b>(287,292)</b>	<b>(2,174)</b>
<b><u>Cash Flows From Financing Activities:</u></b>		
Due To Related Parties	5,837,900	7,045,919
Paid dividends	-	(8,541,561)
<b>Net Cash Provided From (used in) Financing Activities</b>	<b>5,837,900</b>	<b>(1,495,642)</b>
<b>Change In Cash And Cash Equivalents</b>	<b>943,959</b>	<b>(480,643)</b>
Cash And Cash Equivalents at the beginning of the year	187,695	668,338
<b>Cash And Cash Equivalents at the end of the year</b>	<b>1,131,654</b>	<b>187,695</b>

The Accompanying Notes From (1) To (20) Form An Integral Part Of These Financial Statements.

(Saudi one person Est)

**Notes to the financial statements for the year ended December 31, 2024**

(All amounts are in Saudi Riyals)

**1. Legal entity and activity****Name:** Global Energy Services Est for Trading.**Commercial Registration:** The institution was established Global Energy Services Est for Trading. Saudi one person Est under the commercial register issued by the ministry of commerce in Al Khobar no. 2051233520 and dated 14/05/1442H**The head office:** Al Khobar - Kingdom of Saudi Arabia**Business activity:** Wholesale and retail trade in industrial equipment, general contracting for buildings, mechanical works, roads, electricity, water and sewage works, city cleaning, landscaping and site coordination, petroleum facilities work, piping works, telephone and communications network extensions, and general warehouses that include a variety of goods.commercial records and the -The attached financial statements include the financial data of each of the sub : **registers -Sub** following licenses .

<u>The name commercial</u>	<u>Dated</u>	<u>n NoCommercial Registratio</u>
Global Energy Services General Contracting Est	12/06/1428H	2051034938

**2. Basics of preparation****2-1 Statement of compliance**

The financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Enterprises approved in the Kingdom of Saudi Arabia and other standards and publications approved by the Saudi Organization for Auditors and Accountants.

The adopted international standard is the international standard for small and medium enterprises as issued by the International Accounting Standards Board, in addition to the requirements and disclosures added by the authority to some sections of that standard in accordance with what was stated in the document for the adoption of the international financial reporting standard for small and medium enterprises. And other standards and publications mean what the Saudi Organization for Auditors and Accountants approves of standards and technical opinions for topics not covered by the international standard, such as the issue of zakat and bankruptcy.

**2-2 Measurement basis**

The financial statements have been prepared using the measurement bases specified by the international financial reporting standard for small and medium enterprises approved by the Saudi organization for auditors and accountants for each type of assets, liabilities, revenues and expenses. The company presents the statement of financial position on a current and non-current basis. These financial statements have been prepared on the historical cost basis. Except for financial investments at fair value, investment properties which are measured on a fair value basis.

The preparation of financial statements in accordance with IFRS for small and medium enterprises requires the use of some significant accounting estimates. It also requires management to use its estimates in applying accounting policies. Those areas that require a high or more complex degree of estimation, or that require important assumptions and estimates, have been disclosed in note no. (3).

(Saudi one person Est)

**Notes to the financial statements for the year ended December 31, 2024**

(All amounts are in Saudi Riyals)

---

**2- Basics of preparation(continued)****2-3 Functional currency**

The financial statements are prepared in Saudi riyals which is the functional currency of the company.

**2-4 Going concern**

There is no significant doubt about the entity's ability to continue as a going concern and therefore the financial statements have been prepared on the going concern basis.

**3. Significant accounting estimates and assumptions**

Preparing the financial statements requires management to use estimates and assumptions that affect the application of policies and the apparent values of assets, liabilities, revenues and expenses contained in the financial statements. Determining estimates requires management to make decisions that are based on past experience, current experience and expectations of future conditions, and all other available information. Actual results may differ from these estimates.

Estimates and assumptions are reviewed on an ongoing basis. The adjustments that result from the revision of accounting estimates are reflected in the revision period and future periods affected by these adjustments.

The most important items of the financial statements that require the use of expectations and assumptions by management are related to the following:

**3-1 Useful life of property, plant and equipment**

The management estimates the useful lives of property, plant and equipment for the purpose of calculating depreciation based on the expected use of these assets. The management reviews the value and the remaining useful lives annually and the future depreciation expense is adjusted if the management believes that the useful lives differ from previous estimates.

**3-2 Recoverable value**

Management estimates the asset's recoverable amount to determine whether there has been any impairment.

**3-3 Lease contracts**

of leases, management considers its leases either as operating leases or as finance lease classification. In applying the s not always final, and management uses judgment in determining transaction i lease arrangements. In some cases, the free finance lease arrangements, management uses its best -whether the lease is an operating or finance lease. For interest pose of discounting judgment to determine the prevailing market interest rate for the pur

**3-4 Provisions and Contingent Liabilities**

The main assumptions about the probability and magnitude of the flow of resources to and from the facility. These estimates include major estimates of the likelihood of occurrence and the assessment of the amount of the obligation.

(Saudi one person Est)

**Notes to the financial statements for the year ended December 31, 2024**

(All amounts are in Saudi Riyals)

**3. Significant accounting estimates and assumption(continued)****3-5 Trade Receivables**

An entity assesses its trade receivables for impairment at each reporting date. In determining whether an impairment loss should be recognized in profit or loss, the entity makes judgments about whether there is observable data that indicates a measurable decrease in cash flows. The estimated future of the financial asset.

**4. Summary of significant accounting policies****4-1 Classification of current vs. non-current**

The company presents assets and liabilities in the statement of financial position on a current/non-current basis.

An asset is considered current when:

- Expected to be realized or intended to be sold or used, during the normal operating cycle, or
- It is held primarily for the purpose of trading, or
- Expected to be realized within twelve months after the reporting date, or
- It is cash, or cash equivalent, unless it is subject to restrictions on its exchange or use to settle any liabilities for a period of not less than twelve months after the reporting date.

All other assets are classified as 'non-current'.

Obligations are considered current when:

- Expected to be settled during the normal operating cycle, or
- If it is held primarily for trading purposes, or
- It is payable within twelve months after the reporting date, or
- When there is no unconditional right to defer the payment of obligations for a period of not less than twelve months after the reporting date.
- All other liabilities are classified as "non-current."

**4-2 Cash and cash equivalents**

Cash and cash equivalents include cash on hand, cash with banks and highly liquid investments that are subject to an insignificant risk of change in value and that mature within three months or less from the date of their inception, if any, that are available to the company without any restrictions.

**4-3 Trade receivables**

Trade receivables are initially recorded at treatment what did not make up arrangement, in a reality, treatment financing, so was order makeup treatment finance, is done Measure the item by value current for future payments discounted rate Benefit market for tool Similar religion. It is subsequently measured at cost depleted using method interest rate in real terms, a provision for

(Saudi one person Est)

**Notes to the financial statements for the year ended December 31, 2024**

(All amounts are in Saudi Riyals)

---

**4- Summary of significant accounting policies(continued)**

**4-3 Trade receivables(continued)**

impairment of trade receivables is formed when there is objective evidence that the company will not be able to collect the amount due, and this provision is measured for each customer separately in accordance with the contractual terms .Bad debts are written off against the related provisions, and the constituent provisions are charged to the statement of profit or loss and other comprehensive income.

At the end of each period, the carrying amount of the trade receivable is reviewed to determine whether there is objective evidence that the amounts are not recoverable, in which case an impairment loss is recognized immediately in profit or loss. Any subsequent recoveries of amounts previously written off are charged against general expenses and management in the income statement.

**4-4 Properties, plant and equipment**

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment in value .The cost of the asset includes all costs related to acquiring the asset and any other direct costs necessary to put the asset in the location and condition necessary for it to be ready for use for its intended purpose.

The cost of self-constructed assets includes the cost of materials, direct labor, any other costs directly attributable to bringing the assets into a working condition for their intended use, and the costs of dismantling and removing items and repairing the site on which they are.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses resulting from the disposal of an item of property, plant and equipment are determined by comparing the proceeds of disposal with the book value of property, plant and equipment, and is recognized on a net basis, in profit or loss.

The cost of replacing part of an item of real estate, plant and equipment is recognized at the book value of the item if the recognition criteria are met in the financial statements. As for other maintenance and repair costs, they are recognized as an expense in the statement of profit or loss and other comprehensive income when incurred.

Complete capitalization expenses suffix just when consequent on her more in benefits economic future. can measure it in the form of the borrowing costs, which are recognized as an expense in profit or loss, are not capitalized when incurred.

Depreciation is the systematic distribution of the depreciable amount of an asset over its estimated useful life .The depreciable amount is the cost of the asset less its residual value .

When there are indications that the residual value of the asset or its useful life has changed since the last date of the annual report, previous estimates are reviewed, taking into account the need to modify the residual value, the method of depreciation or the useful life, and treating this change as a change in an accounting estimate.

(Saudi one person Est)

**Notes to the financial statements for the year ended December 31, 2024**

(All amounts are in Saudi Riyals)

**4- Summary of significant accounting policies(continued)****4-4 Properties, plant and equipment(continued)**

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each item of property and equipment as follows :

Original type	Estimated age in years
Furniture & Fixtures	10
Machinery and equipment	4
Air conditioners	5
Office Equipment	4

**4-5 Financial instruments**

The company accounts for all of its financial instruments in accordance with sections 11and 12of the international financial reporting standards for small and medium enterprises.

Financial assets and financial liabilities are recognized when the company becomes a party to the contractual provisions of the financial instrument .When a financial asset or financial liability is initially recognized, it is measured at the transaction price (including transaction costs except for the initial measurement of financial assets and financial liabilities subsequently measured at fair value through profit or loss) unless the arrangement constitutes, in fact, a financing transaction for the entity ( for a financial liability) or counterparty (for a financial asset) if the arrangement constitutes a financing transaction, the financial asset or liability is measured at the present value of future payments discounted at the market interest rate of a similar debt instrument.

At the end of each reporting period, the financial instruments are measured as follows, without any subtraction of transaction costs that the company would incur on sale or other disposal:

- Debt instruments are measured at amortized cost using the real interest method if they meet the conditions necessary for this evidence .Debt instruments that are classified as current assets or current liabilities are measured at the amount of undiscounted cash or other cash consideration that is expected to be paid or received (if net of impairment) unless the arrangement constitutes, in fact, a financing transaction.
- Commitments to receive a loan, which meet the conditions for this evidence, are measured at cost (which may be zero) minus the impairment in value.
- Investments in non-convertible preferred stock and non-refundable common or preferred stock, if any, are measured as follows:

(Saudi one person Est)

**Notes to the financial statements for the year ended December 31, 2024**

(All amounts are in Saudi Riyals)

**4- Summary of significant accounting policies(continued)****4-5 Financial instruments(continued)**

- If the shares are traded in a public market or their fair value can otherwise be measured reliably without undue cost or effort, the investment shall be measured at fair value with changes recognized in profit or loss.
- All other such investments are measured at cost minus impairment.

Financial assets are derecognized when the contractual rights to the cash flows from the assets expire or are settled, or substantially all the risks and rewards of ownership of the financial asset are transferred to another party, or the entity, although it has retained some significant risk and reward of ownership, has transferred control of the asset to a third party. Another and the other party has the practical ability to sell the entire asset to an unrelated third party and is able to exercise that ability individually without the need to impose additional restrictions on the transfer process .

A financial obligation (or part of a financial obligation) is derecognized only when it is amortized, is when the obligation specified in the contract has been fulfilled, canceled or expired.

**4-6 Lease contracts**

ship Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards of owner to the Company. All other leases are classified as operating leases. Determining whether a lease is a finance of the leased asset lease or an operating lease depends on the substance of the transaction and not on the form of the contract. Rights in assets are recognized as assets with the company at the fair value of the leased properties ( or the present held under finance le ded value of the minimum lease payments if less) at the inception of the lease. The corresponding liability to the lessor is incl financial position as a finance lease liability . The lease payments are distributed between the financing in the statement of the expenditures and the reduction of the lease obligation in order to achieve a fixed interest rate on the remaining balance of current assets-eld under finance lease contracts are included in nonliability. Assets h,and are depreciated and evaluated to determine impairment losses in the same way as owned assets. Depreciation is calculated on the leased asset under the fe or the lease term, whichever is lessfinance lease over its useful li.

line method -Rents accrued under operating leases are charged to the statement of comprehensive income using the straight over the term of the relevant lease contracts.

**4-7 Trade creditors**

Trade payables include the balances and receivables of suppliers for goods or services rendered to the company over which it has obtained control. Amounts payable are initially recognized at the transaction price did not make up arrangement. in a reality, treatment finance ,so was the order make up treatment finance. is done measure the item by value current for future payments discounted rate benefit market for tool similar religion .It is subsequently measured at cost depleted using method interest rate real.

(Saudi one person Est)

**Notes to the financial statements for the year ended December 31, 2024**

(All amounts are in Saudi Riyals)

**4- Summary of significant accounting policies(continued)****4-8 Provisions and contingent liabilities**

A provision is recognized in the statement of financial position when the company has a present legal or constructive obligation as a result of past events that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The provision is measured using the best estimate of the amount required to settle the obligation at the reporting date. If the effect of the time value of money is of relative importance, it must be that is being amount allotted he the value current for the expected amount that is being wanted to settle commitment to a discount rate that reflects current market assessments of the time value of money and the risks specific to that obligation .And when complete measure allotted at present value for the amount expected that is being wanted to settle commitment, it must proof the reduction in a discount on that it cost finance in period in which it arises.

Contingent assets and liabilities are not recognized, and the contingent liability is disclosed unless an outflow of resources is highly probable .Possible .A contingent asset is disclosed when it is probable that future economic benefits will flow to the company.

**4-9 Zakat**

The provision for sharia zakat is calculated annually in the financial statements in accordance with the instructions of the zakat, tax and customs authority ("the authority") in the kingdom of Saudi Arabia .Additional zakat liabilities, if any.

**4-10 Employee benefits****Short-term employee benefits**

Short-term employee benefit obligations are recognized when the related service is rendered .The obligation is measured at the undiscounted amount expected to be paid for short-term employee benefits under short-term cash bonus or profit-sharing plans in exchange for that service, when the company has a present legal or constructive obligation as a result of past events and can be reliably estimated.

**Employee benefits**

employment benefits include the monthly contributions to the General Organization for Social Insurance and -s post'The company with the requirements of the regulations in the Kingdom of Saudi Arabia accordance service benefits program in-of-the end. The monthly contributions of the General Organization for Social Insurance (independent entity) are classified as a defined contribution program. The company recognizes its share of the fixed contributions to the General Organization for Social and its has no legal or constructive obligation to pay any other contributions Company very month as expenses. TheInsurance e Law only obligation is to pay the contributions as due. Employee benefits obligations are paid in accordance with the Saudi Labor. deserve wardRe End the service for all employees staff According to terms and provisions System the work followed at company when Contract expiration their services. The end of service benefit obligation, which is a defined benefit plan under the Saudi s measured according to the undiscounted amount of employee benefits as at the end of the reporting period. This is Labor Law, i because the future service of employees cannot be estimated without undue cost or effort.



(Saudi one person Est)

**Notes to the financial statements for the year ended December 31, 2024**

(All amounts are in Saudi Riyals)

---

**4- Summary of significant accounting policies(continued)****4-11 Revenue recognition****Revenue measurement:**

Revenue is measured at the fair value of the consideration received or receivable. The fair value of the consideration received or receivable takes into account any trade rebates, quick settlement rebates and volume rebates that the company allows .

When the inflow of cash or cash equivalents is deferred and the agreement includes, in substance, a financing transaction, the fair value of the consideration is the present value of all future receipts, which is determined using an implicit interest rate. The financing process arises, for example, when the entity grants credit to the customer without interest, or the entity may accept from the customer a note receivable at an interest rate lower than the market rate as compensation for the service sold.

**Sales revenue**

Revenue from sales is recognized when products are delivered or shipped upon which the significant risks and rewards of ownership of the goods have passed to the buyer, such that the Company does not have effective control or continuing management involvement to the degree normally associated with ownership of the goods, and when the amount of revenue can be measured reliably and it is probable that the amount of revenue will flow The economic benefits associated with the sale process to the company and the possibility of measuring the cost of the transaction in a reliable way. Sales are recorded after deducting returns, trade discounts, and quantity discounts.

**4-12 Expenses**

Expenses are recognized in the income statement when a decrease in economic benefits arises during the reporting period in the form of outflows, a decrease in assets, or the assumption of liabilities, which leads to a decrease in equity, other than the decrease related to distributions made to owners.

For the purposes of preparing the income statement, expenses are presented using a classification based on the expense function, where the expenses are grouped according to their nature as part of the cost of revenue or as part of administrative activities, or distribution activities, if any.

Management follows a regular basis for allocating common expenses among the main functions of these expenses.

**4-13 Foreign currency transactions**

The company maintains its accounts in Saudi riyals, and foreign currency transactions are converted into Saudi riyals according to the exchange rates prevailing at the time of the transaction .Financial assets and financial liabilities recorded in foreign currencies as on the balance sheet date are converted into Saudi riyals at the exchange rates prevailing on that date .Gains and losses arising from settlements or foreign currency conversion are included in the income statement.

**Global Energy Services Est for Trading**

Saudi one person Est

**Notes To The Financial Statements For The Year Ended December 31, 2024**

(All amounts are in Saudi Riyals)

**5- Cash And Cash Equivalents**

	<b>December 31,2024</b>	<b>December 31,2023</b>
Cash at Bank	1,129,284	181,344
Cash on hand	2,370	6,351
	<b>1,131,654</b>	<b>187,695</b>

**6- Trade Receivables**

	<b>December 31,2024</b>	<b>December 31,2023</b>
customers	6,700,263	2,233,453
Trade Receivables Value impairment Provision	-	(143,204)
	<b>6,700,263</b>	<b>2,090,249</b>

**The following is the movement of the provision for impairment of trade receivables**

	<b>December 31,2024</b>	<b>December 31,2023</b>
Begining balance	143,204	-
Provided During The Year	-	143,204
Used during the year	(143,204)	-
	<b>-</b>	<b>143,204</b>

**7- Prepayments And Other debit balances**

	<b>December 31,2024</b>	<b>December 31,2023</b>
Prepaid expenses	1,708	27,501
Staff advances	3,000	22,500
Advance payment suppliers	176,567	556,605
GAZAT - VAT	33,956	-
	<b>215,231</b>	<b>606,606</b>

**8-Inventory**

	<b>December 31,2024</b>	<b>December 31,2023</b>
Inventory	2,295,002	1,863,958
less: Inventory Value impairment Provision	(1,800,000)	(800,000)
	<b>495,002</b>	<b>1,063,958</b>

**The following is the movement of the provision for impairment of Inventory**

	<b>December 31,2024</b>	<b>December 31,2023</b>
Begining balance	800,000	800,000
Provided During The Year	1,000,000	-
	<b>1,800,000</b>	<b>800,000</b>

**Global Energy Services Est for Trading**

Saudi one person Est

**Notes To The Financial Statements For The Year Ended December 31, 2024**

(All amounts are in Saudi Riyals)

**9 - Due from Related Parties**

The Related Parties Are The Company'S Partners, Senior Management Staff In The Company, And The Facilities Owned Or Managed By These Parties, As Well As The Facilities That Exercise Joint Control Or Substantial Influence Over These Parties. The Following Is A Summary Of The Most Important Transactions That Took Place Between The Company And Related Parties During The Year:

**The Nature And Volume Of Transactions**

The Nature And Volume Of Dealings With Related Parties During The Year Ending December 31,2024 Are As Follows:

<b>Partner Name</b>	<b>Relationship</b>	<b>Nature of Transactions</b>	<b>December 31,2024</b>	<b>December 31,2023</b>
		Finance	6,782,910	1,819,732
Mohammed Aloush Mohammed Al-Hajri	Partner	withdrawals	945,010	1,915,374
		Paid dividends	-	7,141,561

**Due from Related Parties:**

	<b>December 31,2024</b>	<b>December 31,2023</b>
Mohammed Aloush Mohammed Al-Hajri	-	95,642
	-	95,642

**Due To Related Parties:**

	<b>December 31,2024</b>	<b>December 31,2023</b>
Mohammed Aloush Mohammed Al-Hajri	5,742,258	-
	5,742,258	-

Hangzhou Industrial Co.Ltd

Limited Liability Company - Joint Venture

Notes To The Financial Statements For The Year Ended December 31, 2024

(All amounts are in Saudi Riyals)

**10-Property , Plant And Equipment - Net**

This Item Consists Of The Following:

Description	Vehicles	Machinery & Equipment	Furniture & Fixtures and Office Equipment	TOTAL
<b><u>Cost:</u></b>				
Balance As Of January 01,2024	744,934	567,522	99,429	1,411,885
Additional	271,100	11,941	4,251	287,292
<b>Balance As Of December 31,2024</b>	<b>1,016,034</b>	<b>579,463</b>	<b>103,680</b>	<b>1,699,177</b>
<b><u>Depreciation:</u></b>				
Balance As Of January 01,2024	744,924	551,395	58,386	1,354,705
Additional	10,693	20,436	8,115	39,244
<b>Balance As Of December 31,2024</b>	<b>755,617</b>	<b>571,831</b>	<b>66,501</b>	<b>1,393,949</b>
<b><u>Net Book Value:</u></b>				
<b>As Of 31 Dec,2024</b>	<b>260,417</b>	<b>7,632</b>	<b>37,179</b>	<b>305,228</b>
<b>As Of 31 Dec,2023</b>	<b>10</b>	<b>16,127</b>	<b>41,043</b>	<b>57,180</b>

The depreciation of Property , Plant and Equipment has been charged as follows:

	December 31,2024	December 31,2023
Operating Cost	31,129	48,977
General And Administrative Expenses	8,115	8,470
	<b>39,244</b>	<b>57,447</b>

**Global Energy Services Est for Trading**

Saudi one person Est

**Notes To The Financial Statements For The Year Ended December 31, 2024**

(All amounts are in Saudi Riyals)

<b><u>11 - Accrued expenses and other payables</u></b>	<b><u>December 31,2024</u></b>	<b><u>December 31,2023</u></b>
Advance customers	121,620	4,218
Accrued Audit & consulting Fees	5,000	22,000
Zakat - VAT	-	242,204
Accrued Salary	39,200	-
	<b>165,820</b>	<b>268,422</b>

<b><u>12 - Provision for zakat</u></b>	<b><u>December 31,2024</u></b>	<b><u>December 31,2023</u></b>
Begining balance	119,677	275,181
Zakat for the year 12/A	214,216	119,677
zakat assessment	36,598	
Adjusted zakat	179,556	
Used during the year	(335,831)	(275,181)
	<b>214,216</b>	<b>119,677</b>

<b><u>12/A- Provision for Zakat</u></b>	<b><u>December 31,2024</u></b>	<b><u>December 31,2023</u></b>
<b>This Item Consists Of The Following:</b>		
Adjusted net Loss	-	(22,526)
Adjusted Additional	8,592,912	4,721,821
Adjusted Disposal	(305,228)	(57,180)
<b>Adjusted Net Zakat Base</b>	<b>8,568,622</b>	<b>4,787,061</b>
<b>Zakat @ 2.5%</b>	<b>214,216</b>	<b>119,677</b>

**Zakat position**

The establishment submitted its zakat returns for the fiscal year ending December 21, 2023. The company obtained a zakat certificate valid until April 30, 2025. The zakat assessment for the fiscal year ending December 31, 2021, amounted to SAR 36,598. The company's management also paid zakat settlements amounting to SAR 179,556 for 2023 due to discrepancies between the company's returns.

**Global Energy Services Est for Trading**

Saudi one person Est

**Notes To The Financial Statements For The Year Ended December 31, 2024**

(All amounts are in Saudi Riyals)

**13- Provision For End Of Service Employee Benefits**

	<b>December 31,2024</b>	<b>December 31,2023</b>
Begining balance	149,213	120,966
Provided During The Year	35,739	28,247
Used during the year	-	-
	<b>184,952</b>	<b>149,213</b>

**14 - Capital**

The establishment capital was set at 1,000,000 Saudi Riyals based on the establishment commercial records.

	<b>Share value</b>	
	<b>December 31,2024</b>	<b>December 31,2023</b>
Mohammed Aloush Mohammed Al-Hajri	100,000	100,000
	<b>100,000</b>	<b>100,000</b>

**15-Operating Cost**

	<b>December 31,2024</b>	<b>December 31,2023</b>
Beginning of the year inventory	1,063,958	1,180,216
Purchases during the year	11,797,068	1,555,792
Operating expenses	518,521	1,330,818
Depreciation	31,129	48,977
<b><u>less:</u></b>		
End of year inventory	(495,002)	(1,063,958)
	<b>12,915,674</b>	<b>3,051,845</b>

**Global Energy Services Est for Trading**

Saudi one person Est

**Notes To The Financial Statements For The Year Ended December 31, 2024**

(All amounts are in Saudi Riyals)

<b><u>16 - General And Administrative Expenses</u></b>	<b><u>December 31,2024</u></b>	<b><u>December 31,2023</u></b>
Salaries & Wages	453,454	447,760
Rent and housing allowance	156,614	211,148
Depreciation	8,115	8,470
Miscellaneous	43,944	84,052
End Of Service Employee Benefits	35,739	28,247
Government Fees	45,395	18,977
Air Tickets and vacation	52,183	58,396
GOSI	52,240	48,636
Electricity, water, telephone and internet	76,264	73,924
Vehicles and fuel expenses	92,459	90,910
Professional Fees	10,000	10,000
	<b><u>1,026,407</u></b>	<b><u>1,080,520</u></b>
<b><u>17- Other Income</u></b>	<b><u>December 31,2024</u></b>	<b><u>December 31,2023</u></b>
Human resources revenues	29,000	64,500
Other Income	25,543	19,523
	<b><u>54,543</u></b>	<b><u>84,023</u></b>

(Saudi one person Est)

**Notes to the financial statements for the year ended December 31, 2024**

(All amounts are in Saudi Riyals)

---

**18-Financial instruments, fair value and risk management****Fair value:**

Fair value is the amount for which an asset could be exchanged, or a liability settled, in an arm's length transaction. Considered as administration that value fair values of other debit balances, other credit balances approximate their book values. Management does not believe that the fair values of the company's financial assets and liabilities are materially different from their carrying values

**Risk management:**

The company is exposed to the following risks as a result of its use of financial instruments:

- Liquidity risk
- Credit risk
- Foreign exchange risk
- Commission rate risk

This note provides information about the company's exposure to each of the above risks, the company's objectives, policies and methods for measuring and managing risk and the company's management of capital.

**Liquidity risk**

Liquidity risk is represented by the company's inability to meet its obligations related to financial liabilities as they become due. Liquidity needs are monitored periodically and management ensures that sufficient funds are available to meet any commitments as they become due. Accordingly, the company is not exposed to significant liquidity risks.

The company's financial liabilities consist of receivables to related parties and other receivables. Practically all of these financial liabilities are expected to be settled within 12 months from the date of the statement of financial position and the company's management expects to have sufficient funds to do so.

**Credit risk**

Credit risk is represented in the failure of one of the parties to a financial instrument to fulfill its obligation and causing the company to incur a financial loss. The company's financial instruments that may be exposed to credit risk mainly include cash in banks and other debit balances.



(Saudi one person Est)

**Notes to the financial statements for the year ended December 31, 2024**

(All amounts are in Saudi Riyals)

---

**18-Financial instruments, fair value and risk management(continued)**

The company deposits its funds in reliable financial banks with high credit capacity, and the company has a policy regarding the amount of funds deposited in each bank, and the management does not expect the existence of significant credit risks resulting from this. Also, the management does not expect to be exposed to significant credit risks from the accounts receivable due to its dealings with clients with high financial solvency and credit capacity. The management also monitors the outstanding debit balances periodically.

**Foreign currency**

Currency risk results from changes and fluctuations in the value of financial instruments as a result of changes in foreign exchange rates.

The company did not carry out any transactions of relative importance in currencies other than the Saudi riyal and the us dollar. Since the exchange rate of the Saudi riyal is fixed against the us dollar, balances in us dollars do not represent a significant currency risk. The company's management monitors the fluctuations in currency rates and believes that the currency risk is immaterial.

**19- Subsequent events**

The establishment cancelled from the subsidiary commercial register "Global Energy Services establishment for General Contracting" on February 2, 2025.

**20- Approval of the financial statements**

The company's financial statements for the financial were approved by the company's management on February 04, 2025.