

Sky One Money Market Fund

FINANCIAL STATEMENTS

31 DECEMBER 2024

Principal business address:

P.O. Box 121200
Dubai
United Arab Emirates

Sky One Money Market Fund

Financial statements

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**INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF AUDIT COMMITTEE OF
AL RAMZ CORPORATION INVESTMENT AND DEVELOPMENT P.J.S.C**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sky One Money Market Fund ("the Fund"), which comprise the statement of financial position as at 31 December 2024 and the statements of profit or loss, statement of cash flows and changes in net assets attributable to unit holders for the year ended 31 December 2024 and notes to the financial statements including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at 31 December 2024 and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board ("IASB")

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 Fund in accordance with the *International Code of Ethics for Professional Accountants* (including international independence standards) (the "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 these requirements and 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

Other information consists of the information included in the Report of the Fund Manager, other than the financial statements and our auditor's report thereon. Management is responsible for the other information.

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, 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.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS Accounting Standards 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 Fund'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 Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

**INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF AUDIT COMMITTEE OF
AL RAMZ CORPORATION INVESTMENT AND DEVELOPMENT P.J.S.C continued**

Report on the Audit of the Financial Statements continued

Auditor's responsibilities for the audit of the financial statements

Our objective is 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 scepticism throughout the audit. We are 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 Fund'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 Fund'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 Fund 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.

We also provide those charged with governance with a statement that we have complied with a relevant ethical requirement of regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our Independence, and where applicable, actions taken to eliminate threats or safeguards applied.

For Ernst & Young



Walid J Nakfour
Registration No 5479

28 March 2025
Abu Dhabi, United Arab Emirates

Sky One Money Market Fund

STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2024

	<i>Notes</i>	2024 <i>AED'000</i>	2023 <i>AED'000</i>
INCOME			
Income from Islamic wakala deposits with local banks		7,436	4,560
EXPENSES			
Management company fees	5	(1,131)	(737)
Custody fees	6	(87)	(60)
Units' registrar and transfer agent fees	7	(149)	(98)
Administrative services provider fees	8	(149)	(98)
Auditor's fees	9	(30)	(30)
VAT expenses		<u>(77)</u>	<u>(51)</u>
		<u>(1,623)</u>	<u>(1,074)</u>
Profit for the year		<u>5,813</u>	<u>3,486</u>

The notes number 1 to 15 form an integral part of these financial statements.

Sky One Money Market Fund

STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	<i>Notes</i>	<i>2024</i> <i>AED'000</i>	<i>2023</i> <i>AED'000</i>
ASSETS			
Current assets			
Current accounts with local banks	14	2,491	12,771
Islamic wakala deposits with local banks	10	182,540	138,850
Receivables and accruals	11	<u>1,597</u>	<u>1,357</u>
TOTAL ASSETS		<u>186,628</u>	<u>152,978</u>
LIABILITIES			
Current liabilities			
Payables and accruals	12	<u>1,451</u>	<u>1,119</u>
TOTAL LIABILITIES		<u>1,451</u>	<u>1,119</u>
NET ASSETS OF UNIT HOLDERS		<u>185,177</u>	<u>151,859</u>



Fund Manager

The notes number 1 to 15 form an integral part of these financial statements.

Sky One Money Market Fund

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTED TO UNIT HOLDERS For the year ended 31 December 2024

	<i>UNIT'000</i> <i>No of units</i>	<i>AED'000</i> <i>Net assets</i>
At 1 January 2023	66,279	66,279
Numbers of units issued during the year	1,181,953	1,181,953
Numbers of units redeemed during the year	(1,096,373)	(1,096,373)
Net profit for the year	3,486	3,486
Distributions during the year	<u>(3,486)</u>	<u>(3,486)</u>
At 31 December 2023	<u>151,859</u>	<u>151,859</u>
At 1 January 2024	151,859	151,859
Numbers of units issued during the year	2,350,989	2,350,989
Numbers of units redeemed during the year	(2,317,671)	(2,317,671)
Net profit for the year	5,813	5,813
Distributions during the year	<u>(5,813)</u>	<u>(5,813)</u>
At 31 December 2024	<u>185,177</u>	<u>185,177</u>

The notes number 1 to 15 form an integral part of these financial statements.

Sky One Money Market Fund

STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	<i>Note</i>	2024 AED'000	2023 AED'000
OPERATING ACTIVITIES			
Profit for the year		5,813	3,486
<i>Working capital changes:</i>			
Accrued profits on Islamic wakala deposits with local banks		(240)	(1,055)
Islamic wakala deposits with local banks		(12,240)	(6,578)
Payables and accruals		<u>332</u>	<u>717</u>
Net cash flows used in operating activities		<u>(6,335)</u>	<u>(3,430)</u>
FINANCING ACTIVITIES			
Issuance of new units		2,350,989	1,181,953
Recovery of issued units		(2,317,671)	(1,096,373)
Realized distributions		<u>(5,813)</u>	<u>(3,486)</u>
Net cash flows from financing activities		<u>27,505</u>	<u>82,094</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		21,170	78,664
Cash and cash equivalents at 1 January		<u>130,121</u>	<u>51,457</u>
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	14	<u>151,291</u>	<u>130,121</u>

The notes number 1 to 15 form an integral part of these financial statements.

Sky One Money Market Fund

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

1 LEGAL FORM AND PRINCIPAL ACTIVITIES

Sky One Money Market Fund (“The Fund”) was established on 23 December 2019 in United Arab Emirates as a public open ended investment fund. The Fund does not follow a specific index and invests in sharia compliant products only. The Fund’s net asset value and unit holders’ net asset value are accounted for at the end of each business day, and profits are distributed to unit holders on a daily basis.

The Fund was established to invest in highly liquid sharia compliant assets and regulated by Emirates Securities and Commodities Authority. Al Ramz Corporation Investment and Development P.J.S.C is the Fund manager (“Fund manager”) and registered address is P.O. box 121200, Dubai, United Arab Emirates.

These financial statements were approved and authorised for issue by the Fund manager on 28 March 2025.

2 BASIS OF PREPARATION

The Fund’s financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) as issued by International Accounting Standards Board (“IASB”).

These financial statements have been prepared on the historical cost basis.

These financial statements have been presented in United Arab Emirates Dirhams (“AED”), which is the functional currency of the Fund, and all values are rounded to the nearest thousand (AED ‘000) except when otherwise indicated.

3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

New standards, interpretations and amendments adopted by the Fund

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the Fund’s financial statements for the year ended 31 December 2023, except for the adoption of new standards effective as of 1 January 2024. The Fund has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2024, but do not have an impact on the financial statements of the Fund.

- Disclosures: Supplier Finance Arrangements -Amendments to IAS 7 and IFRS 7;
- Lease Liability in a Sale and Leaseback – Amendments to IFRS 16;
- Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to IAS 1

These amendments had no significant impact on the financial statements of the Fund. The Fund intends to use the practical expedients in future years if they become applicable.

New and amended standards and interpretations – Not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Fund’s financial statements are disclosed below. The Fund intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

- Lack of exchangeability – Amendments to IAS 21 (effective period beginning on or after 1 January 2025)
- IFRS 18 Presentation and Disclosure in Financial Statements (effective period beginning on or after 1 January 2027)
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective period beginning on or after 1 January 2027)

The Fund does not expect that the adoption of these new and amended standards and interpretations will have a material impact on its financial statements for the next financial year.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

4 MATERIAL ACCOUNTING POLICY INFORMATION

The Fund has consistently applied the following accounting policies to all periods presented in these financial statements.

Income from Islamic wakala deposits with local banks

Income from Islamic wakala deposits with local banks are recognised on an accrual basis using the estimated profit from the respective banks, such estimation is adjusted when the realised profit is confirmed at the end of the contracting period.

Financial assets

The Fund has only invested in Islamic wakala deposits with short term maturities. These deposits are carried at amortized cost as these are held within the business model to collect contractual cashflows upon maturities.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents consist of current accounts with local banks and short term wakala deposits with local banks with a maturity of three month or less.

5 MANAGEMENT COMPANY FEES

Management company fees amount to 0.75% (2023: 0.75%) of the Fund's net assets per annum and are accounted for on a daily basis and payable to the management company on an annual basis. The Fund manager, at their discretion, can return a part or all the management fees.

6 CUSTODY FEES

Custody fees amount to 0.06% (2023: 0.06%) of the Fund's net assets annum with a minimum amount of AED 60,000 (2023: AED 60,000) per annum in addition to VAT, and they are accounted for on a daily basis and due to the custodian on a monthly basis. The Fund Manager, at their discretion, can return a part or all the custodian fees.

7 UNIT'S REGISTRAR AND TRANSFER AGENT FEES

Units Registrar and Transfer Agent charges amount to 0.1% (2023: 0.1%) of the Fund's net assets per annum and are accounted for on a daily basis and payable to the Units Registrar and Transfer Agent on an annual basis. The Fund manager, at their discretion, can return a part or all Units Registrar and Transfer Agent fees.

8 ADMINISTRATIVE SERVICE PROVIDER FEES

Administrative service provider fees amount to 0.1% (2023: 0.1%) per annum of the Fund's net assets, accounted for on a daily basis and payable to the administrative service provider on an annual basis. The Fund manager, at their discretion, can return a part or all administrative service fees.

9 AUDITOR'S FEES

Auditor fees amount to AED 30,000 (2023: AED 30,000) per annum.

Sky One Money Market Fund

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

10 ISLAMIC WAKALA DEPOSITS WITH LOCAL BANKS

	<i>2024</i> <i>AED'000</i>	<i>2023</i> <i>AED'000</i>
National Bank of Fujairah	38,500	30,400
Emirates Islamic Bank	35,800	7,500
Sharjah Islamic Bank	35,490	31,000
Dubai Islamic Bank	29,000	24,800
Emirates NBD	29,000	-
Ajman Bank	9,750	9,750
RAK Bank	5,000	5,000
Abu Dhabi Islamic Bank	-	30,400
	<u>182,540</u>	<u>138,850</u>

As per clause no. 6.17.4 of the prospectus, the maximum limit for the Fund's possession of monetary instruments in one body may not be more than 10% of the total monetary instruments issued by the Fund and may not invest more than 20% of its assets in the deposits of one bank.

As at the reporting date, the Fund has breached the restrictions of clause no. 6.17.4 of the prospectus and the Fund manager is committed to regularize the position in the near future.

11 RECEIVABLES AND ACCRUALS

	<i>2024</i> <i>AED'000</i>	<i>2023</i> <i>AED'000</i>
Accrued profits on Islamic wakala deposits	<u>1,597</u>	<u>1,357</u>

12 PAYABLES AND ACCRUALS

	<i>2024</i> <i>AED'000</i>	<i>2023</i> <i>AED'000</i>
Management company fees	898	774
Units' registrar and transfer agent fees	162	103
Administrative service provider fees	161	98
Custody fees	152	98
Auditor's fees	78	46
	<u>1,451</u>	<u>1,119</u>

Sky One Money Market Fund

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

13 RELATED PARTIES

Related parties represent the Fund manager, their associated companies, major shareholders, directors and key management personnel of the Fund manager, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Fund manager.

Transactions with related parties included in the statement of profit or loss are as follows:

	2024 <i>AED'000</i>	2023 <i>AED'000</i>
Management company fees	9	6
Units' registrar and transfer agent fees	1	1
Administrative service provider fees	<u>1</u>	<u>1</u>
	<u>11</u>	<u>8</u>

The balances with related parties included in the statement of financial position as follows:

	2024 <i>AED'000</i>	2023 <i>AED'000</i>
Other payables	<u>1,221</u>	<u>975</u>

Terms and conditions of transactions with related parties

Outstanding balances at the year-end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

14 CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, the cash and cash equivalents consist of the following:

	2024 <i>AED'000</i>	2023 <i>AED'000</i>
Current accounts with local banks	2,491	12,771
Islamic wakala deposits held in local banks with original maturity less than three months	<u>148,800</u>	<u>117,350</u>
Cash and cash equivalents	<u>151,291</u>	<u>130,121</u>

15 FINANCIAL RISK MANAGEMENT

The main risks arising from the Fund's financial instruments are liquidity risk and credit risk. The Fund manager reviews and approves the policies for managing each of these risks which are summarized below.

Liquidity risk

Liquidity risk is the risk where the Fund unable to meet its financial obligations when due under normal or critical conditions. As at 31 December 2024, the Fund has majority of highly liquid assets which are sufficient to cover their liabilities, ensuring financial stability of the Fund. The banks where Islamic wakala deposits are placed are regulated by the central banks of the UAE and have stable credit ratings.

Sky One Money Market Fund

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

15 FINANCIAL RISK MANAGEMENT continued

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Fund is not exposed to interest rate risk on Islamic wakala deposits with banks which carry fixed profit rate.

Credit risk

Credit risk is the risk of financial loss to the Fund if the financial institutions or counterpart to a financial instrument fails to meet its contractual obligations and arises mainly from the Fund's deposits.

The Fund's maximum exposure to credit risk (regardless of any collaterals or other securities held), in case the counterparties fail to meet their contractual obligations related to each category of recognised assets, is represented in the carrying value of such assets as follows.

	<i>2024</i>	<i>2023</i>
	<i>AED'000</i>	<i>AED'000</i>
Current accounts with local banks	2,491	12,771
Wakala deposits with local banks	182,540	138,850
Receivables and accruals	<u>1,597</u>	<u>1,357</u>
	<u>186,628</u>	<u>152,978</u>

Capital management

The maximum number of units that can be issued by the Fund is 2 billion (2,000,000,000) units (the nominal value of each unit is 1 AED), and any increase in this number is subject to the approval of the Emirates Securities and Commodities Authority. The minimum Fund size is AED 1,000 thousand. As at the reporting date, the Fund is compliant with this requirement.