SHARJAH · UNITED ARAB EMIRATES

ELEGANCE LIMIT GENTS SALOON

SOLE ESTABLISHMENT · ROLLA, SHARJAH

Auditor-Style Financial Report

For the year ended **31 December 2025**

Full year — 1 January 2025 to 31 December 2025 (12 months)

209,095	57.1%	(41,037)	(18,101)
REVENUE AED	GROSS MARGIN	NET LOSS AED	LOSS BEFORE DEPN

Prepared from the books of account and monthly management reports issued by **Intellect Consulting** (M. Manoj) and the ADCB current-account statement for 2025.

Presented on a compilation basis — **this report is not a statutory audit opinion.**

Report to the Owners

To: Mr Kifayatullah Hussain (investing partner) and Mr Aziz Saif (working partner)
Elegance Limit Gents Saloon, Rolla, Sharjah, United Arab Emirates

Scope of this engagement

We have compiled the accompanying statement of financial position of Elegance Limit Gents Saloon ("the Establishment") as at 31 December 2025, and the related income statement, revenue analysis, cost analysis, fixed-asset schedule and bank reconciliation for the year then ended, together with the notes and observations set out on the following pages.

The financial information has been compiled from the accounting records and the monthly management reports prepared and issued by **Intellect Consulting** for the period January to December 2025, and from the Abu Dhabi Commercial Bank current-account statement (account 13345907820001) covering 1 January 2025 to 31 December 2025, comprising 413 transactions.

What we did and did not do

This is a **compilation and agreed-upon-procedures** engagement. We arithmetically re-performed the income statement and the statement of financial position, agreed the reported revenue to the monthly sales report, agreed card settlements to the bank statement, verified the internal integrity of the bank statement, and re-cast the fixed-asset register against the depreciation charge for the year.

We did not perform an audit or a review in accordance with International Standards on Auditing, and accordingly we do not express an audit opinion or any assurance conclusion on the financial information. No physical verification of assets, third-party confirmation of loan balances, cash count, or test of controls over cash takings was carried out. The figures remain the responsibility of management.

Summary of findings

Subject to the matters described below, the financial information is arithmetically consistent, the statement of financial position balances at AED 401,309.61 on both sides, and the reported revenue of AED 209,095 agrees in full to the monthly sales report.

Matters requiring management attention

1. **Bank balance not fully reconciled.** The ADCB balance per books at 31 December 2025 is AED 18,510.35; the bank statement closing balance is AED 17,964.41. An unexplained difference of **AED 545.94** remains. See Note 6.
2. **Cash takings of AED 41,655 were never banked.** No cash deposit appears anywhere in the 413-transaction bank statement for the year. 19.9% of turnover therefore passed entirely outside the banking system and is supported only by the shop's own records. This is the single largest control weakness in the Establishment. See Note 7.
3. **Related-party loans are unconfirmed.** Loans of AED 395,099.16 from the partners and Mr Nurullah Husain are recorded from the books alone and have not been countersigned by the lenders. See Note 8.
4. **Going concern.** Accumulated losses of AED 224,785.42 exceed the net book value of all assets. The Establishment is funded entirely by partner loans and is dependent on their continued support. See Note 9.

This report is prepared solely for the information and internal use of the owners of Elegance Limit Gents Saloon and for submission of supporting schedules to their tax agent. It is not intended for, and should not be relied upon by, any bank, purchaser or other third party as an audited financial statement.

Income Statement — Year Ended 31 December 2025

Particulars	Note	AED	% of revenue
REVENUE			
Card sales (POS)	1	167,410.00	80.1%
Cash sales	1, 7	41,655.00	19.9%
Product sales	1	30.00	0.0%
Total revenue		**209,095.00**	**100.0%**
COST OF SERVICES			
Barber commission (40% of eligible service revenue)	2	42,438.00	20.3%
Credit-card acquirer commission (2%)	2	3,703.39	1.8%
Fixed salary — service staff	2	41,200.00	19.7%
Tips paid to barbers (card tips)	2	2,311.00	1.1%
Total cost of services		**89,652.39**	**42.9%**
GROSS PROFIT		**119,442.61**	**57.1%**
OPERATING EXPENSES			
Rent — saloon shop	3	70,000.00	33.5%
Depreciation	4	22,936.56	11.0%
Legal, trade licence & PRO	—	20,317.18	9.7%
Water & electricity (SEWA)	—	14,630.00	7.0%
Repairs & maintenance	—	8,610.00	4.1%
Cosmetics & consumables	—	4,793.64	2.3%
VAT expense	5	3,500.00	1.7%
Marketing & promotion	—	3,438.00	1.6%
Internet & telecom	—	3,199.47	1.5%
Other operating expenses (9 items — detailed schedule follows)	—	9,055.25	4.3%
Total operating expenses		**160,480.10**	**76.7%**
NET LOSS FOR THE YEAR		**(41,037.48)**	**(19.6%)**

Loss before depreciation (cash view)

Depreciation of AED 22,936.56 is a non-cash charge. Excluding it, the Establishment's operating cash result for FY2025 was a loss of **AED 18,100.92**, or approximately AED 1,508 per month. This is the figure relevant to how much cash the partners had to inject during the year; the AED 41,037.48 statutory loss is the figure relevant to the corporate-tax return.

Comparison with prior year

Measure	FY2024	FY2025	Change
Revenue	145,946	209,095	+43.3%
Net loss after depreciation	(91,638)	(41,037)	−55.2%
Loss reduction year on year	**AED 50,601 improvement on a revenue increase of AED 63,149**		

FY2024 comparatives are taken from the 2024 management report and are shown for trend purposes only; they have not been re-performed as part of this engagement.

Statement of Financial Position — as at 31 December 2025

Particulars	Note	AED
LIABILITIES		
Current liabilities		
Salary payable		4,000.00
Barber commission payable		1,970.00
Internet payable		240.45
Total current liabilities		**6,210.45**
Loans (non-current)	8	
Loan — Kifayatullah Hussain		331,850.00
Loan — Aziz Saif		53,249.16
Loan — Nurullah Husain		10,000.00
Total loans		**395,099.16**
TOTAL LIABILITIES		**401,309.61**
ASSETS		
Accumulated loss brought forward (1 Jan 2025)		183,747.94
Loss for the year		41,037.48
Accumulated loss carried forward	9	**224,785.42**
Fixed assets — net book value	4	118,750.63
Current assets		
ADCB current account	6	18,510.35
Staff loans receivable	10	22,280.93
Rent deposit	3	13,500.00
Sundry debtors (card settlements in transit)	6	1,707.00
Cash in hand	7	1,775.28
Total current assets		**57,773.56**
TOTAL ASSETS		**401,309.61**

Balance check: total liabilities AED 401,309.61 = total assets AED 401,309.61. The statement balances exactly. The accumulated loss is presented on the asset side of the statement, following the format used consistently in the Establishment's own management reports.

Monthly Performance Analysis — FY2025

Month	Revenue	Cost of services	Gross profit	GP %	Operating exp.	Net result
Jan 2025	11,450	4,861	6,589	57.5%	10,287	(3,699)
Feb 2025	12,955	5,567	7,388	57.0%	10,427	(3,039)
Mar 2025	22,245	10,092	12,153	54.6%	14,028	(1,875)
Apr 2025	12,735	5,309	7,426	58.3%	11,611	(4,185)
May 2025	15,760	6,613	9,147	58.0%	14,546	(5,399)
Jun 2025	17,230	7,280	9,950	57.7%	11,087	(1,137)
Jul 2025	17,695	7,499	10,196	57.6%	16,576	(6,380)
Aug 2025	18,040	7,677	10,363	57.4%	21,673	(11,311)
Sep 2025	19,275	8,259	11,016	57.2%	13,076	(2,060)
Oct 2025	20,535	8,771	11,764	57.3%	11,785	(21)
Nov 2025	20,915	8,986	11,929	57.0%	11,378	551
Dec 2025	20,260	8,738	11,522	56.9%	14,005	(2,483)
Total FY2025	**209,095**	**89,652**	**119,443**	**57.1%**	**160,480**	**(41,037)**

Revenue mix — card versus cash

Month	Card sales	Cash sales	Product	Total	Cash %
Jan 2025	8,340	3,110	—	11,450	27.2%
Feb 2025	10,225	2,730	—	12,955	21.1%
Mar 2025	17,955	4,290	—	22,245	19.3%
Apr 2025	8,840	3,895	—	12,735	30.6%
May 2025	12,940	2,820	—	15,760	17.9%
Jun 2025	14,170	3,060	—	17,230	17.8%
Jul 2025	14,410	3,285	—	17,695	18.6%
Aug 2025	13,715	4,325	—	18,040	24.0%
Sep 2025	16,110	3,165	—	19,275	16.4%
Oct 2025	16,305	4,230	—	20,535	20.6%
Nov 2025	17,320	3,565	30	20,915	17.0%
Dec 2025	17,080	3,180	—	20,260	15.7%
Total	**167,410**	**41,655**	**30**	**209,095**	**19.9%**

Observations on the monthly pattern

- Revenue grew consistently through the year, from AED 11,450 in January to AED 20,260 in December — a 77% increase over twelve months, with the second half averaging AED 19,453 per month against AED 15,396 in the first half.
- Gross margin was stable in a tight 55–58% band all year, indicating the 40% barber-commission model is applied consistently.
- **November 2025 was the only profitable month** of the year, at AED 550.81. October was effectively break-even at a loss of AED 21.26.
- The two worst months, August (loss AED 11,310.69) and July (loss AED 6,380.35), were driven by one-off costs — the AED 3,500 VAT charge and AED 2,835 agency fee in August, and AED 3,694 of repairs in July — not by trading weakness.
- Cash sales fell steadily as a share of turnover, from 27.2% in January to 15.7% in December, as customers shifted to card. This reduces, but does not eliminate, the cash-control exposure described in Note 7.

Operating Expenses — Detailed Schedule

The income statement on page 3 presents operating expenses in summarised form. This schedule sets out all nineteen expense accounts in full. Cost of services is shown in full on page 3 and is not repeated here.

Particulars	AED	% of revenue
Rent — saloon shop [3]	70,000.00	33.5%
Depreciation [4]	22,936.56	11.0%
Legal, trade licence & PRO	20,317.18	9.7%
Water & electricity (SEWA)	14,630.00	7.0%
Repairs & maintenance	8,452.00	4.0%
Purchases — cosmetics & consumables	4,793.64	2.3%
VAT expense [5]	3,500.00	1.7%
Marketing & promotion	3,438.00	1.6%
Internet & telecom	3,199.47	1.5%
Agency fee	2,835.00	1.4%
Staff welfare	2,108.50	1.0%
Insurance	1,060.00	0.5%
Visa & immigration	840.00	0.4%
Miscellaneous	800.00	0.4%
Travel	610.00	0.3%
WPS bank charges	435.75	0.2%
Pest control	360.00	0.2%
Maintenance	158.00	0.1%
Stationery	6.00	0.0%
Total operating expenses	**160,480.10**	**76.7%**

Fixed Assets — Schedule as at 31 December 2025

Asset class	Cost	Accumulated depreciation	Net book value
Shop decors & fit-out	84,007.00	23,311.93	60,695.07
Furniture & fixtures	38,582.00	10,706.37	27,875.63
Design & concept	13,000.00	6,630.00	6,370.00
Sign boards	11,445.00	3,176.02	8,268.98
Miscellaneous capex	10,678.00	1,624.75	9,053.25
Lights	3,888.14	1,626.84	2,261.30
POS machine	3,463.00	1,766.16	1,696.84
Camera / CCTV	2,250.00	624.30	1,625.70
IT software	1,470.00	749.76	720.24
Fire extinguisher	375.00	191.38	183.62
Total	**169,158.14**	**50,407.51**	**118,750.63**

Depreciation charged for the year: AED 22,936.56 (AED 1,911.38 per month, straight line). Lights were written down by AED 726.86 on 31 December 2025 for items retired during the year. Total capital expenditure since fit-out is AED 169,158.14; assets are 30% depreciated at the reporting date. No physical verification was performed.

Bank Account — Analysis and Reconciliation

Abu Dhabi Commercial Bank current account 13345907820001, in the name of ELEGANCE LIMIT GENTS SALOON, for the period 1 January 2025 to 31 December 2025.

Particulars	Transactions	AED
Opening balance, 1 January 2025	—	13,832.93
Add: total credits for the year	—	175,452.44
Less: total debits for the year	—	(171,320.96)
Closing balance per bank statement, 31 December 2025	**413**	**17,964.41**

Integrity test passed. Opening balance plus credits less debits reproduces the stated closing balance to the fils. The statement is arithmetically complete with no missing pages or gaps in the running balance across all 413 transactions.

Credits — source analysis

Source	Transactions	AED
Card settlements — Payment Hub (PHUB)	166	72,299.54
Card settlements — Magnati	124	51,806.46
Card settlements — Network International POS	46	25,693.79
Card settlements — Network International (NBAD MSP)	30	15,652.65
Total card settlements received	**366**	**165,452.44**
Loan received — Nurullah Husain	1	10,000.00
Total credits	**367**	**175,452.44**

Card revenue — books to bank

Particulars	AED
Card sales recorded in the books for FY2025	167,410.00
Card settlements actually received into ADCB	165,452.44
Difference	**1,957.56**
Less: sundry debtors at 31 December 2025 (settlements in transit)	(1,707.00)
Unexplained residual	**250.56**

Result: card revenue substantially verified. 98.8% of recorded card revenue is independently traceable to money that actually arrived in the bank. The AED 1,957.56 difference is explained almost entirely by the AED 1,707.00 of late-December settlements recorded as sundry debtors and received in January 2026, leaving an immaterial residual of AED 250.56 (0.1% of card revenue). Card takings are, in our view, reliable.

Note 6 — Bank balance not reconciled

The books record the ADCB balance at 31 December 2025 as AED 18,510.35. The bank statement closing balance is AED 17,964.41. The difference of **AED 545.94** is not supported by any reconciling item we were able to identify and no bank reconciliation statement was prepared at the year end. Management should prepare a formal month-end bank reconciliation and either post the correcting entry or identify the unpresented item before the corporate-tax return is finalised.

Notes to the Financial Information

1. Revenue recognition

Revenue is recognised when the service is performed. Total revenue of AED 209,095 agrees in full to the monthly sales report (card AED 167,410, cash AED 41,655, product AED 30). Revenue is stated gross; the 2% acquirer commission is charged separately to cost of services.

2. Barber commission

Barbers are paid an aggregate fixed salary of AED 3,433 per month plus 40% commission on eligible service revenue — AED 42,438 for the year, or 20.3% of turnover. The commission figure was restated during the year: the eleven-month report to November 2025 showed AED 46,982 against a final full-year figure of AED 42,438. The restatement reduced the reported loss and should be agreed to the barbers' individual entitlement records.

3. Rent and deposit

Shop rent for the year was AED 70,000, settled by post-dated cheques (AED 38,500 of cheque clearings appear in the bank statement). A rent deposit of AED 13,500 is held by the landlord. The lease renewal falls due in August 2026 and is the largest single cost risk facing the Establishment.

4. Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation, charged straight-line at AED 1,911.38 per month (AED 22,936.56 for the year). Gross cost AED 169,158.14; net book value AED 118,750.63.

5. VAT

A VAT expense of AED 3,500 was charged and settled in August 2025. Management should confirm with its tax agent whether this is a penalty, a period settlement or irrecoverable input tax, as the treatment affects deductibility for corporate tax.

6. Bank balance

See the reconciliation on the preceding page. An unexplained difference of AED 545.94 between the books and the bank statement remains open at the reporting date.

7. Cash sales — principal control weakness

Cash takings of **AED 41,655** (19.9% of turnover) were recorded during the year. We examined all 413 transactions on the ADCB statement and found **no cash deposit whatsoever** at any point in the twelve months. Cash in hand at 31 December 2025 was only AED 1,775.28.

Substantially the whole of the cash turnover was therefore spent directly out of the till without passing through the bank, supported only by the shop's own manual records. Recorded card revenue is verifiable; **recorded cash revenue is not**. All cash takings should be banked intact and every expense paid from the bank account with immediate effect. Until that is done, no purchaser, lender or tax authority can be given assurance over 19.9% of reported turnover.

8. Related-party loans

Loans of AED 395,099.16 are recorded from the books alone. None has been confirmed in writing by the lender. The Aziz Saif loan account in particular is disputed: the books show AED 53,249.16 at 31 December 2025, whereas Mr Aziz Saif's own loan ledger supports a materially higher claim. The partners should agree and countersign the loan balances before any exit, sale or further injection is negotiated. The loans are interest-free, unsecured and have no fixed repayment date.

9. Going concern

The Establishment has incurred losses in every year since opening in December 2023. Accumulated losses at 31 December 2025 stand at AED 224,785.42, and total liabilities of AED 401,309.61 exceed the net book value of tangible and current assets of AED 176,524.19 by AED 224,785.42. It continues to trade only because the partners fund the shortfall through interest-free loans. The financial information is prepared on a going-concern basis on the strength of that support, which has not been confirmed to us in writing.

10. Staff loans

Advances to staff of AED 22,280.93 are outstanding, recovered by monthly deduction from salary. Recoverability depends on continued employment; no provision has been made.

Summary of Findings

What the year shows

- Turnover grew 43% to AED 209,095 and the net loss narrowed by AED 50,601 to AED 41,037.48. Every month of the second half out-performed the corresponding month of the first half.
- Before depreciation, the shop lost AED 18,100.92 for the year — roughly AED 1,508 a month of cash. November 2025 turned cash-positive, and on the December run rate the operation is close to covering its own costs.
- The cost base is stable and the 57% gross margin held all year. The losses are driven by fixed overheads — rent of AED 70,000 and licence and legal costs of AED 20,317.18 together consume 43.2% of turnover — not by the trading model.

What we could and could not verify

Area	Verified to independent evidence?
Card revenue — AED 167,410	Yes — 98.8% traced to bank settlements
Bank movements — 413 transactions	Yes — statement internally complete and arithmetically sound
Income statement and balance sheet arithmetic	Yes — re-performed; balances exactly
Fixed assets — AED 118,750.63 NBV	Schedule re-cast only; no physical verification
Cash revenue — AED 41,655	No — never banked; no independent evidence exists
Related-party loans — AED 395,099.16	No — unconfirmed by lenders; Aziz balance disputed
Closing bank balance	No — AED 545.94 difference unreconciled

Recommendations, in order of priority

1. **Bank all cash takings intact and pay every expense from the bank account.** Until this happens, 19.9% of turnover cannot be evidenced to anyone outside the shop — which directly reduces what a buyer will pay and what a tax authority will accept.
2. **Prepare a monthly bank reconciliation** and clear the AED 545.94 difference before the FY2025 corporate-tax return is filed.
3. **Obtain countersigned confirmations of all three loan balances**, and settle the disputed Aziz Saif loan account in writing between the partners.
4. **Confirm the barber-commission restatement** from AED 46,982 to AED 42,438 and agree it to the individual barbers' entitlement records.
5. **Address the August 2026 lease renewal now.** Rent is 33.5% of turnover; the shop's return to break-even depends on it not rising.
6. **Clarify the AED 3,500 VAT charge** with the tax agent before filing.

Declaration. This report has been compiled from records provided by management and by Intellect Consulting. It is **not a statutory audit**, contains no audit opinion, and confers no assurance. It is issued for the internal use of the owners of Elegance Limit Gents Saloon and for supporting their tax filing. Where this report identifies a matter as unverified, it should be treated as unverified.

Prepared for
Mr Aziz Saif — Working Partner
Elegance Limit Gents Saloon

Records provided by
Intellect Consulting (M. Manoj)
Accounting and monthly management reporting

Report date: 28 July 2026 · Reporting period: 1 January 2025 to 31 December 2025 · Currency: UAE Dirhams (AED)
Source files: *Reports-2025 (1).xlsx* (P&L, sales report, salary, fixed assets, ADCB statement), *Elegance Limit 2025 Report.xlsx* (statement of financial position), *Elegance Monthly Report 2025.xlsx* (monthly management reports and trial balance).