

Advanced Inhalation Rituals Finco Plc

Annual report and financial statements

Registered number 12252082

For the year ended 31 December 2022

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Strategic Report

The Directors present their Strategic Report for the year ended 31 December 2022.

Advanced Inhalation Rituals Finco Plc was incorporated on 9 October 2019 as part of the newly established UK holding structure. This company was intended to be the financing vehicle of a potential bond issue for the acquisition of Al Eqbal Investment Co. Plc ("EICO") following its delisting from the Jordanian stock exchange. The transaction was ultimately financed via a syndicated loan and this company was not used.

BUSINESS REVIEW

As stated above the company has remained inactive during the year ending 31 December 2022.

During the year there have been very few transactions in this company, namely:

- Administrative expenses of \$16,693.
- Interest income from intercompany loan of \$3,302.

The above resulted in a net loss for the period of \$13,391. Total Net Assets at the end of the period amounted to \$51,858.

Principal risks and uncertainties

As a non-trading group company, the risks of the company are largely related to the same matters which impact the wider AIR Group. Principal among these are the following factors that have the ability to impact the future trading success of the business.

Liquidity risk - The group is cash generative as the majority of customer payment terms are cash in advance. Furthermore, the group has secured more favorable payment terms with most major suppliers.

Foreign currency risk - Foreign currency risk is minimal as the bulk of the group's revenues and costs are either in USD or in currencies fixed to the USD. There is limited exposure to the EUR/USD rates albeit is partly naturally hedged by EUR revenues.

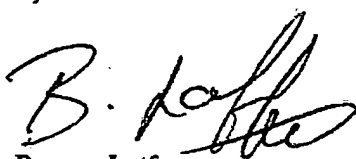
Customer credit risk - The Group has limited credit risk as most customers are on cash in advance payment terms. The Group has also entered into a credit insurance agreement covering 75% of the open account customers in KSA and UAE.

Regulatory risk - Sudden changes to regulation around our products in some markets may have an adverse effect on our business. This is managed pro-actively through engagement and knowledge sharing with relevant authorities by our in-house "Corporate and Regulatory affairs "CORA" and Legal team as well as advisors when required.

Tax risk - In some jurisdictions we face unexpected tax claims from time to time. These can have a negative impact on our business. Our engagement with tax authorities, revisions to our business model and our improving country mix (growth in revenues coming from less volatile jurisdictions) mitigate this risk.

Competitor risk - We face competition in most of our markets. Non-compliance to regulation by competitors and aggressive pricing can impact our ability to get our fair share of a market. The strength of the Al Fakher brand (global market leader), continued investment marketing activities and innovation as well as pro-active engagement with authorities help mitigate this risk.

By order of the board



Bassem Lotfy
Director

Date: 19/09/2023

Directors' report

The directors present their report and financial statements of Advanced Inhalation Rituals Finco plc ("the Company"), for the year ended 31 December 2022.

Principal activity

The company does not trade and had minimal transactions during the period.

Results and dividends

The loss for the year, after taxation, amounted to \$13,391 (2021: \$nil).

No dividends have been paid in the period (2021: \$nil).

Directors

The directors who held office during the year were as follows:

M Stotz

A D Socha (resigned 25 May 2022)

M Orr

B Lotfy (appointed 8 June 2022)

Disclosure of information to auditor

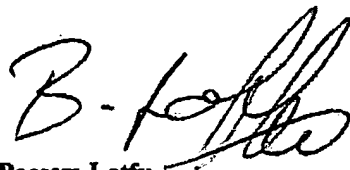
The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

In accordance with Section 489 of the Companies Act 2006, a resolution for the re-appointment of AMS Corporate Accountants Ltd as auditor of the Company to be proposed at the forthcoming Annual General Meeting.

By order of the board



Bassem Lotfy
Director

C/O Legalinx Limited
3rd Floor
207 Regent Street
London
W1B 3HH

19/09/2023

Statement of directors' responsibilities in respect of the Strategic Report, The Directors' Report, and the Financial Statements

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 Reduced Disclosure Framework.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

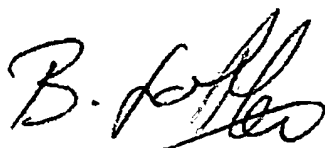
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



Bassem Lotfy
Director

C/O Legalinx Limited
3rd Floor
207 Regent Street
London
W1B 3HH

19/09/2023

Independent Auditor's Report to the members of Advanced Inhalation Rituals Finco Plc

Opinion

We have audited the financial statements of Advanced Inhalation Rituals Finco PLC (the 'company') for the year ended 31 December 2022 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. 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 ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 during the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

Independent Auditor's Report to the members of Advanced Inhalation Rituals Finco Plc (*continued*)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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, the directors are responsible for assessing the company'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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 ISAs (UK) 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Independent Auditor's Report to the members of Advanced Inhalation Rituals Finco Plc (continued)

All engagement team members were briefed on relevant identified laws and regulations and potential fraud risks at the planning stage of the audit. Engagement team members were reminded to remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the company focusing on the provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The most relevant frameworks we identified include:

- FRS101 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"
- General Data Protection Regulation
- UK tax and pension legislations
- UK employment law legislations

We gained an understanding of how the company is complying with these laws and regulations by making enquiries of management and those charged with governance. We corroborated these enquiries through our review of submitted returns.

We assessed the susceptibility of the Company's financial statement to material misstatement, including how fraud might occur, by the meeting with management and those charged with governance to understand where it was considered there was susceptibility to fraud. This evaluation also considered how management and those charged with governance were remunerated and whether this provided an incentive for fraudulent activity. We considered the overall control environment and how management and those charged with governance oversee the implementation and operation of controls. In areas of the financial statement where the risks were considered to be higher, we performed procedures to address each identified risk.

The following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:

- Enquiring of management for any reference to breaches in laws or regulations or indications of any potential litigation or claims, including any health and safety issues;
- Review of the financial statement disclosures to underlying supporting documentation;
- Challenging assumptions and judgements made by management in their significant accounting estimates;
- Performing audit work procedures over the risk of management override of controls, including testing of journal entries and other adjustment for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing judgements made by management in their calculation of accounting estimates for potential management bias.

Our audit procedures were designed to respond to the risk of material misstatements in the financial statement, recognizing that the risk of not detecting material misstatements due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve intentional concealment, forgery, collusion, omission or misrepresentation. There are inherent limitations in the audit procedures performed and the further removed noncompliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Independent Auditor's Report to the members of Advanced Inhalation Rituals Finco Plc (continued)

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ams Accountants Corporate Ltd

Andrew Davis ACCA CTA FMAAT
Senior Statutory Auditor
For and on behalf of AMS Corporate Accountants Ltd
Chartered Accountants
Floor 2
9 Portland Street
Manchester
M1 3BE

Date *19.09.2023*

Profit and Loss Account
for the year ended 31 December 2022

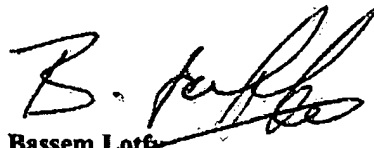
		2022	2021
	Note	\$	\$
Administrative expenses		(16,693)	(2,424)
Other operating income		-	-
Other operating expenses		-	(2,553)
Operating loss		<u>(16,693)</u>	<u>(4,977)</u>
Interest receivable and similar income	4	3,302	3,145
Loss before taxation		<u>(13,391)</u>	<u>(1,832)</u>
Taxation	5	-	-
Loss for the financial period		<u>(13,391)</u>	<u>(1,832)</u>
Other comprehensive income		-	-
Other comprehensive income for the period		-	-
Total comprehensive loss for the period		<u>(13,391)</u>	<u>(1,832)</u>

The accompanying notes form part of the financial statements.

Balance Sheet
at 31 December 2022

	<i>Note</i>	2022 \$	2021 \$
Current assets			
Debtors	6	69,348	66,045
Cash at bank and on hand		57,154	61,609
		<u>126,502</u>	<u>127,654</u>
Creditors: amounts falling due within one year			
Creditors	7	(74,644)	(62,405)
Net current assets		<u>51,858</u>	<u>65,249</u>
Net assets		<u>51,858</u>	<u>65,249</u>
Capital and reserves			
Called up share capital	10	62,406	62,406
Profit and loss account		(10,548)	2,843
Shareholders' funds		<u>51,858</u>	<u>65,249</u>

These financial statements were approved by the board of directors on 19/09/2023 and were signed on its behalf by:


Bassem Loffy
Director

Company registered number: 12252082

The accompanying notes form part of the financial statements.

Statement of Changes in Equity
for the year ended 31 December 2022

	Share capital	Retained earnings	Total equity
	\$	\$	\$
Balance at 1 January 2021	62,406	4,675	67,081
Total comprehensive income for the period			
Loss for the period	-	(1,832)	(1,832)
Other comprehensive income	-	-	-
Total comprehensive loss for the period	-	(1,832)	(1,832)
Balance as of 31 December 2021	62,406	2,843	65,249
Balance at 1 January 2022	62,406	2,843	65,249
Total comprehensive income for the period			
Loss for the period	-	(13,391)	(13,391)
Other comprehensive income	-	-	-
Total comprehensive loss for the period	-	(13,391)	(13,391)
Balance as of 31 December 2022	62,406	(10,548)	51,858

The accompanying notes form part of the financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

Advanced Inhalation Rituals Finco plc (the "Company") is a public limited company incorporated, domiciled and registered in England in the UK. The registered number is 12252082 and the registered address is C/O Legalinx Limited 3rd Floor 207 Regent Street London W1B 3HH.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006 ("UK-Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, AIR Limited includes the Company in its consolidated financial statements. The consolidated financial statements of AIR Limited are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from its registered office, 22 Grenville Street, St Helier, JE4 8PX, Jersey.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel; and

As the consolidated financial statements of the Company's ultimate parent undertaking, AIR Limited, include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 *Share Based Payments* in respect of group settled share-based payments
- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Measurement convention

The financial statements are prepared on the historical cost basis. Non-current assets and disposal groups held for sale are stated at the lower of previous carrying amount and fair value less costs to sell.

Notes (continued)

1 Accounting policies (continued)

Going concern

As at 31 December 2022, the Company has net current assets and net assets of \$51,858 and reported a loss for the year then ended of \$13,391. The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides and its financial resources the company will have sufficient funds to meet its liabilities as they fall due for that period.

Consequently, the directors have prepared the financial statements on a going concern basis.

Foreign currency

Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

Expenses

Financing income and expenses

Financing expenses include interest payable, finance charges on shares classified as liabilities and finance charges on lease liabilities recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the income statement (see foreign currency accounting policy). Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset.

Financing income comprise interest receivable on funds invested, dividend income, interest income on lease receivables and net foreign exchange gains.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the income statement on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

2 Expenses and auditor's remuneration

Fees payable to the Company's auditor for the audit of the Company's financial statements were \$8,170 (2021: \$10,000) which has been borne by another Group company.

The disclosure of fees payable to the auditor for other (non-audit) services has not been made because these have been disclosed in the consolidated financial statements of the Company's ultimate holding company.

3 Staff costs and directors' remuneration

The company had no employees in both the current and prior period.

The Directors of the Company are remunerated by other entities within the Group. The Directors believe that the value of their services in respect of the Company in the current period were negligible given the non-trading nature of the Company, and therefore, have not been disclosed.

Notes (continued)

4 Interest receivable and similar income

Recognised in profit or loss

	2022 \$	2021 \$
Interest receivable on intercompany balances	3,302	3,145
	<u>3,302</u>	<u>3,145</u>

5 Taxation

Recognised in the profit and loss account

	2022 \$	2021 \$
<i>UK corporation tax</i>		
Current tax on income for the period	-	-
Total current tax	-	-
<i>Deferred tax</i>		
Origination and reversal of temporary differences	-	-
Total deferred tax	-	-
Total tax	-	-

Reconciliation of effective tax rate

	2022 \$	2021 \$
(Loss)/profit for the period	(13,391)	(1,832)
Total tax	-	-
(Loss)/profit excluding taxation	(13,391)	(1,832)
Tax using the UK corporation tax rate of 19% (2021: 19%)	(2,544)	(348)
Non-deductible expenses	2,544	-
Group relief surrendered/(claimed) for no consideration	-	348
Total tax	-	-

An increase in UK corporation tax rate from 19% to 25% (effective 1 April 2023) was announced through the March 2021 budget and was substantively enacted on 24 May 2021. This will increase the company's future current and deferred tax balances accordingly.

Notes (continued)

6 Debtors

	2022 \$	2021 \$
Amounts owed by group undertakings	62,405	62,405
Interest receivable	6,943	3,640
	<u>69,348</u>	<u>66,045</u>

Amounts due from group undertakings is due from the intermediate parent company, Advanced Inhalation Rituals Midco Limited, which is repayable on demand. These amounts accrue interest at a rate of 5% per annum.

7 Creditors: amounts falling due within one year

	2022 \$	2021 \$
Accrued expenses	8,172	-
Amounts owed to group undertakings	66,472	62,405
	<u>74,644</u>	<u>62,405</u>

Amounts owed to group undertakings. This balance has no fixed repayment term, and no interest is applied.

8 Related parties

The Company has not engaged in any transactions with any related parties other than with wholly owned subsidiaries. These transactions have not been disclosed as the Company has taken advantage of exemptions under FRS 101.

9 Subsequent events

Subsequent to the balance sheet date, there are no transactions which have an impact on the financial statements.

Notes (continued)

10 Called up share capital

Share capital

	Ordinary Shares	
	2022	2021
On issue at beginning of accounting period	50,000	50,000
On issue at 31 December – fully paid	<u>50,000</u>	<u>50,000</u>
	\$	\$
<i>Allotted, called up and fully paid</i> 50,000 ordinary shares of £1 each	62,406	62,406
	<u>62,406</u>	<u>62,406</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

11 Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of Advanced Inhalation Rituals Midco Limited. The ultimate controlling party is Kingsway Capital Partners Limited.

The largest group in which the results of the Company are consolidated is that headed by AIR Limited, registered office address: 22 Grenville Street, St Helier, JE4 8PX, Jersey.