

JFC Arkedia Group Limited and subsidiaries

Directors' report and consolidated financial statements

Year ended 31 December 2024

Registered number: 615083

JFC Arkedia Group Limited and subsidiaries

Directors' report and consolidated financial statements

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JFC Arkedia Group Limited and subsidiaries

Directors and other information

Directors	John Concannon Shane Conlisk
Company secretary	Shane Conlisk
Company registration number	615083
Registered office	JFC Tuam Business Park Weir Road Tuam Co. Galway
Auditor	KPMG Chartered Accountants Dockgate Dock Road Galway
Bankers	Societe Generale 32 rue du Champ de Tir 44300 Nantes France Volksbank Breisgau Nord Eg Marketplatz 2 79312 EMMENDINGEN Germany ING Avenue Marnix 24 B-1000 Brussels Credit Suisse Paradeplatz 8 8001 Zurich Switzerland
Solicitors	Fonteneau-Déramé-Marchand 27 rue de Starsbourg 44000 Nantes France

JFC Arkedia Group Limited and subsidiaries

Directors' report

The directors present their directors' report and consolidated financial statements for the year ended 31 December 2024.

Principal activities, business review (including principal risks and uncertainties) and future developments

The principal activity of the group consists of the production and distribution of diamond tools and machines for construction activities and public works.

Turnover for the year increased to €46.4m in 2024 from €45.5m in 2023, reflecting management's strategy around international sales and marketing. The increased costs of driving this growth impacted on EBITDA for the year.

During the year, the German and French markets were still impacted by the downturn of the construction activity, mainly on the construction of new housing while renovation is still trending well. The increase in turnover is due to the acquisition of a new company in the Netherlands. On the export market, Eastern, Central and South Europe were improving in 2024. Despite the pressure on selling prices, the gross margin increased in 2024 vs 2023.

Our Management Team remain committed to ensuring that our long-term goals go hand in hand with high standards of corporate governance. We will continue to innovate and enhance the environmental performance of our products through the collective efforts of all the team within the group.

The directors consider that the following are the principal risk factors that could materially and adversely affect the group's future performance and position:

- Market downturn in France and Germany; and
- Increases in the cost of purchasing raw materials.

On 1 January 2024, the group acquired 78.381% of the share capital of the share capital of Interdiam B.V. for €2,995,209. A put and call option agreement is in place to acquire the interests of the non-controlling shareholders.

Key performance indicators

The principal key performance indicators used by management to monitor performance are as follows:

- Margin analysis, including monitoring of sales by country and by product family;
- Working capital metrics, including cash flow from operations; and
- Production metrics by entity.

Results for the year

The results of the group for the year are set out in the consolidated statement of profit and loss account and other comprehensive income on page 8 and in related notes. The assets, liabilities and financial position of the group are set out in the consolidated balance sheet on page 9. The assets liabilities and financial position of the company are set out in the company balance sheet by page 10.

Dividends

The directors do not recommend the payment of a dividend (2023: €Nil).

Research and development

The group invested in research and development. All costs relating to research and development are written off as incurred. Research and development costs incurred during the year amounted to €54,309 (2023: €94,281).

JFC Arkedia Group Limited and subsidiaries

Directors' report *(continued)*

Directors, secretary and their interests

The names of persons who served as directors during the year and, in the subsequent period to date, were as follows:

- John Concannon
- Shane Conlisk

The directors and secretary who held office at 31 December 2024 had no interests, other than those shown below, in the shares of the company or group companies:

Director/secretary	Name of company and description of shares	Interest at 31 December 2024	Interest at 31 December 2023
John Concannon	JFC Arkedia Holdings Limited Ordinary shares of €1 each	163,715*	163,715*

* Shareholding held directly and indirectly

Political contributions

The group and company made no political donations nor incurred any political expenditure during the year.

Post balance sheet events

No material events have occurred since the balance sheet date which would affect the financial statements of the group.

Accounting records

The directors believe that they have complied with the requirements of Sections 281 to 285 of the Companies Act 2014 with regard to maintaining adequate accounting records by employing accounting personnel with appropriate expertise and by providing adequate resources to the financial function. The accounting records of the company are maintained at JFC, Tuam Business Park, Weir Road, Tuam, Co. Galway.

Relevant audit information

The directors believe that they have taken all steps necessary to make themselves aware of any relevant audit information and have established that the group's statutory auditor is aware of that information. In so far as they are aware, there is no relevant audit information of which the group's statutory auditor is unaware.

Auditor

Pursuant to Section 383(2) of the Companies Act 2014, KPMG, Chartered Accountants, will continue in office.

On behalf of the board


John Concannon
Director


Shane Conlisk
Director

23/12 / 2025

JFC Arkedia Group Limited and subsidiaries

Statement of directors' responsibilities in respect of the directors' report and the consolidated financial statements

The directors are responsible for preparing the directors' 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 they have elected to prepare the group and company financial statements in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.


Under company law the directors must not approve the group and company financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the group and company and of the group's profit or loss for that year.

In preparing the group and company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the group and company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the company and which enable them to ensure that the financial statements are prepared in accordance with the applicable accounting framework and comply with the provisions of the Companies Act 2014. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities. The directors are also responsible for preparing a directors' report that complies with the requirements of the Companies Act 2014.

On behalf of the board


John Concannon
Director


Shane Conlisk
Director

23 / 12 / 2025



KPMG

Audit
Dockgate
Dock Road
Galway
H91 V6RR
Ireland

Independent auditor's report to the members of JFC Arkedia Group Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of JFC Arkedia Group Limited ("the company") and its consolidated undertakings ("the group") for the year ended 31 December 2024 set out on pages 8 to 33, which comprise the consolidated statement of profit and loss and other comprehensive income, the consolidated and company balance sheet, the consolidated and company statement of changes in equity, the consolidated statement of cash flows and related notes, including the summary of significant accounting policies set out in note 1.

The financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* issued in the United Kingdom by the Financial Reporting Council.

In our opinion:

- the financial statements give a true and fair view of the assets, liabilities and financial position of the group and company as at 31 December 2024 and of the group's loss for the year then ended;
- the financial statements have been properly prepared in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- the financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) 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 group in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), 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 group's or the company's ability to continue as a going concern for a period of at least twelve months from the date 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.



Independent auditor's report to the members of JFC Arkedia Group Limited
(continued)

Report on the audit of the financial statements (continued)

Other information

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the directors' report. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information undertaken during the course of the audit, we report that:

- we have not identified material misstatements in the directors' report;
- in our opinion, the information given in the directors' report is consistent with the financial statements; and
- in our opinion, those parts of the directors' report specified for our review, which does not include sustainability reporting when required by Part 28 of the Companies Act 2014, have been prepared in accordance with the Companies Act 2014.

Our opinions on other matters prescribed by the Companies Act 2014 are unmodified

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by Sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and 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 they either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.



Independent auditor's report to the members of JFC Arkedia Group Limited
(continued)

Respective responsibilities and restrictions on use (continued)

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 (Ireland) 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.

A fuller description of our responsibilities is provided on IAASA's website at <https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements/>.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the company's members, as a body, in accordance with Section 391 of the Companies Act 2014. 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.

Laurence May
for and on behalf of
KPMG
Chartered Accountants, Statutory Audit Firm
Dockgate
Dock Road
Galway
H91 V6RR

2025

JFC Arkedia Group Limited and subsidiaries

Consolidated statement of profit and loss account and other comprehensive income

for the year ended 31 December 2024

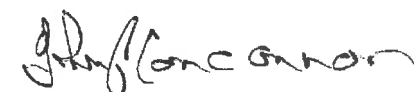
	Note	2024 €	2023 €
Turnover – continuing operations	4	46,383,289	45,514,766
Cost of sales		(20,478,510)	(20,253,787)
		<hr/>	<hr/>
Gross profit		25,904,779	25,260,979
Administrative expenses		(26,039,485)	(24,808,807)
Other operating income	5	9,353	48,990
		<hr/>	<hr/>
Group operating (loss)/profit – continuing operations	6 - 8	(125,353)	501,162
Interest receivable and similar income	9	40,150	20,099
Interest payable and similar expenses	9	(474,093)	(238,688)
Amortisation of negative goodwill	11	-	258,514
Amortisation of goodwill	11	(248,926)	-
		<hr/>	<hr/>
(Loss)/profit before taxation		(808,222)	541,087
Tax on (loss)/profit	10	(483,901)	(297,990)
		<hr/>	<hr/>
(Loss)/profit for the financial year		(1,292,123)	243,097
Other comprehensive income			
Foreign exchange differences on translation of foreign operations		-	-
		<hr/>	<hr/>
Total comprehensive (loss)/income for the year		(1,292,123)	243,097
		<hr/> <hr/>	<hr/> <hr/>

JFC Arkedia Group Limited and subsidiaries

Consolidated balance sheet as at 31 December 2024

	Note	2024 €	2023 €
Fixed assets			
Intangible assets			
Goodwill	11	2,240,335	-
Other intangible assets	11	289,507	620,615
Tangible assets	12	10,553,188	7,479,540
		<u>13,083,030</u>	<u>8,100,155</u>
Current assets			
Stocks	14	9,475,668	9,029,177
Debtors	15	7,229,525	6,945,498
Cash at bank and in hand	16	4,130,341	4,673,415
		<u>20,835,533</u>	<u>20,648,090</u>
Creditors: amounts falling due within one year	17	(18,016,780)	(15,997,481)
		<u>2,818,753</u>	<u>4,650,609</u>
Net current assets			
		<u>15,901,783</u>	<u>12,750,764</u>
Creditors: amounts falling due after more than one year	18	(7,892,869)	(3,567,471)
Provisions for liabilities			
Deferred tax liability	20	(798,179)	(752,617)
Retirement benefit obligations	20	(320,034)	(278,988)
Warranty provision	20	(31,136)	-
		<u>6,859,565</u>	<u>8,151,688</u>
Net assets			
Capital and reserves			
Called up share capital presented as equity	23	6,616	6,616
Share premium		1,202,984	1,202,984
Profit and loss account		5,649,965	6,942,088
		<u>6,859,565</u>	<u>8,151,688</u>
Shareholder's equity			
		<u>6,859,565</u>	<u>8,151,688</u>

On behalf of the board



John Concannon
Director



Shane Conlisk
Director

JFC Arkedia Group Limited and subsidiaries

Company balance sheet

as at 31 December 2024

	Note	2024 €	2023 €
Fixed assets			
Financial assets	13	4,605,089	4,605,089
Current assets			
Debtors	15	100,227	110,539
Cash at bank and in hand	16	582,494	415,636
		682,721	526,175
Creditors: amounts falling due within one year	17	(3,572,774)	(3,540,717)
Net current liabilities		(2,890,053)	(3,014,542)
Net assets		1,715,036	1,590,547
Capital and reserves			
Called up share capital presented as equity	23	6,616	6,616
Share premium		1,202,984	1,202,984
Profit and loss account		505,436	380,947
Shareholder's equity		1,715,036	1,590,547

The company earned a profit after tax of €124,489 (2023: €131,632) for the financial year ended 31 December 2024 as disclosed in note 1.

On behalf of the board



John Concannon
Director



Shane Conlisk
Director

JFC Arkedia Group Limited and subsidiaries

Consolidated statement of changes in equity for the year ended 31 December 2024

	Called up share capital €	Share premium €	Profit and loss account €	Total equity €
Balance at 1 January 2023	6,616	1,202,984	6,698,991	7,908,591
<i>Total comprehensive income for the year</i>				
Profit for the year	-	-	243,097	243,097
Other comprehensive income	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2023	6,616	1,202,984	6,942,088	8,151,688
<i>Total comprehensive loss for the year</i>				
Loss for the year	-	-	(1,292,123)	(1,292,123)
Other comprehensive income	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2024	6,616	1,202,984	5,649,965	6,859,565

JFC Arkedia Group Limited and subsidiaries

Company statement of changes in equity

for the year ended 31 December 2024

	Called up share capital €	Share premium €	Profit and loss account €	Total equity €
Balance at 1 January 2023	6,616	1,202,984	249,315	1,458,915
<i>Total comprehensive income for the year</i>				
Profit for the financial year	-	-	131,632	131,632
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2023	6,616	1,202,984	380,947	1,590,547
<i>Total comprehensive income for the year</i>				
Profit for the financial year	-	-	124,489	124,489
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2024	6,616	1,202,984	505,436	1,715,036

JFC Arkedia Group Limited and subsidiaries

Consolidated statement of cash flows for the year ended 31 December 2024

	Note	2024 €	2023 €
Cash flows from operating activities			
(Loss)/profit for the year		(1,292,123)	243,097
<i>Adjustments for:</i>			
Depreciation and amortisation		1,643,786	1,487,837
Amortisation of negative goodwill		-	(258,514)
Amortisation of goodwill		248,926	-
Foreign exchange losses/(gains)		82,689	(18,202)
Interest receivable and similar income		(40,150)	(1,897)
Interest payable and similar expenses		391,404	238,688
Loss/(gain) on sale of tangible fixed assets		34,351	(18,996)
Taxation		483,901	297,990
		<hr/>	<hr/>
Decrease in stock		1,069,502	2,447,444
Decrease in trade and other debtors		443,444	601,089
Decrease in trade and other creditors		(864,922)	(1,290,552)
Movement in provisions		72,182	56,517
		<hr/>	<hr/>
Tax paid		(603,942)	(242,927)
		<hr/>	<hr/>
Net cash from operating activities		1,669,048	3,541,574
		<hr/>	<hr/>
Cash flows from investing activities			
Acquisition of tangible fixed assets		(2,699,250)	(3,436,976)
Proceeds from sale of tangible fixed assets		485,207	365,111
Acquisition of other intangible assets		(120,179)	(105,428)
Interest received		40,150	1,897
Acquisition of a subsidiary		(2,551,209)	-
Government grants received		7,327	12,650
		<hr/>	<hr/>
Net cash used in investing activities		(4,837,954)	(3,162,746)
		<hr/>	<hr/>
Cash flows from financing activities			
Proceeds from bank loans, net		2,965,441	362,522
Interest paid		(391,404)	(236,688)
Proceeds from loan advanced by a related party		788,024	965,303
(Repayment of)/proceeds from invoice discounting facility		(67,643)	348,882
		<hr/>	<hr/>
Net cash from financing activities		3,294,418	1,440,019
		<hr/>	<hr/>
Net increase in cash and cash equivalents		125,512	1,818,847
Cash and cash equivalents at beginning of year		2,969,923	1,139,009
Effect of exchange fluctuations on cash held		(45,468)	12,067
		<hr/>	<hr/>
Cash and cash equivalents at end of year	16	3,049,967	2,969,923
		<hr/> <hr/>	<hr/> <hr/>

JFC Arkedia Group Limited and subsidiaries

Notes

to the consolidated financial statements

1 Significant accounting policies

JFC Arkedia Group Limited ("the company") is a private company limited by shares and is incorporated, resident and domiciled in Ireland. The registered number of the company is 615083 and the address of its registered office is JFC, Tuam Business Park, Weir Road Tuam, Co. Galway.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102"). The presentation currency of these financial statements is Euro.

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

Judgements made by the directors in the application of these accounting policies that have a significant effect on the financial statements or estimates with a significant risk of material adjustment in the next year are discussed in note 2.

Measurement convention

The financial statements are prepared on the historical cost basis.

Going concern

The company had net current liabilities of €2,890,053 (2023: €3,014,542) as at 31 December 2024. The financial statements have been prepared on a going concern basis which assumes that the group and company will continue in operational existence for the foreseeable future. The validity of this depends on the continued support of the company's related undertaking, JFC Manufacturing Co. Limited.

JFC Manufacturing Co. Limited has confirmed that it will provide the financial support necessary to enable the company to discharge its liabilities as they fall due, and at a minimum, for a period of at least twelve months from the date of approval of the financial statements. On this basis, the directors consider it appropriate to prepare the financial statements on a going concern basis.

The financial statements do not include any adjustments which would be required should it be inappropriate to apply the going concern basis of accounting.

Basis of consolidation

The consolidated financial statements include the financial statements of the company and its subsidiary undertakings made up to 31 December 2024. A subsidiary is an entity which is controlled by the holding undertaking. Other than the merger with Ark Capital Investments Limited and subsidiaries in December 2017, the results of subsidiary undertakings are included in the consolidated statement of profit and loss account from the date that control commences until the date that control ceases. Control is established when the company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the group takes into consideration potential voting rights that are currently exercisable.

The merger of JFC Arkedia Group Limited and its subsidiary companies in 2018 had been included in the consolidated financial statements using merger accounting rules whereby the assets and liabilities of the acquired entity are included at their previous carrying amounts.

In accordance with the provisions of Section 118 of the Companies Act 2014, the directors, being satisfied that it would be fair and reasonable and would not prejudice the rights or interests of any person, have determined that the pre-acquisition reserves of Ark Capital Investments Limited should be presented as revenue reserves by the company for the purposes only of preparing the financial statements.

JFC Arkedia Group Limited and subsidiaries

Notes *(continued)*

1 **Significant accounting policies** *(continued)*

Basis of consolidation *(continued)*

The company has availed of the exemption, under Section 304(2) of the Companies Act 2014, from the requirement to present to its members its company profit and loss account, statement of comprehensive income and related notes that form part of the company financial statement approved by the board of directors. The company's profit after tax for the financial year is €124,489 (2023: €131,632). The profit primarily arose due to the receipt of management charges from a related company.

In the holding undertaking financial statements, investments in subsidiaries are carried at cost less impairment.

Foreign currency

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting 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. Foreign exchange differences arising on translation are recognised in the profit and loss account.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to Euro at foreign exchange rates ruling at the reporting date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on retranslation are recognised in other comprehensive income.

Basic financial instruments

Trade and other debtors/creditors

Trade and other debtors are recognised initially at transaction price plus attributable transaction costs. Trade and other creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the group's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

JFC Arkedia Group Limited and subsidiaries

Notes *(continued)*

1 Significant accounting policies *(continued)*

Tangible fixed assets

Tangible fixed assets are stated at deemed cost less accumulated depreciation and accumulated impairment losses.

The group assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Leases in which the entity assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Land is not depreciated. Leased assets are depreciated over the shorter of the lease term and their useful lives. Assets under the course of construction are not depreciated until they are brought into use. The estimated useful lives are as follows:

- | | |
|-------------------------|------------|
| • Freehold property | 30 years |
| • Plant and machinery | 5 years |
| • Motor vehicles | 5 years |
| • Fixtures and fittings | 5-10 years |

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since the last annual reporting date in the pattern by which the group expects to consume an asset's future economic benefits.

Business combinations

Business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the company.

At the acquisition date, the company recognises goodwill at the acquisition date as:

- the fair value of the consideration (excluding contingent consideration) transferred; plus
- estimated amount of contingent consideration (see below); plus
- the fair value of the equity instruments issued; plus
- directly attributable transaction costs; less
- the net recognised amount (generally fair value) of the identifiable assets acquired; and
- liabilities and contingent liabilities assumed.

Consideration which is contingent on future events, including the consideration relating to the put option, is recognised based on the estimated amount if the contingent consideration is probable and can be measured reliably. Any subsequent changes to the amount are treated as an adjustment to the cost of the acquisition and are reflected in goodwill/negative goodwill.

JFC Arkedia Group Limited and subsidiaries

Notes (continued)

1 Significant accounting policies (continued)

Intangible assets and goodwill

Goodwill

Goodwill is stated at cost less any accumulated amortisation and accumulated impairment losses. Goodwill is allocated to cash-generating units or group of cash-generating units that are expected to benefit from the synergies of the business combination from which it arose.

Negative goodwill

Negative goodwill arising on business combinations in respect of acquisitions is included on the balance sheet immediately below any positive goodwill and released to the profit and loss account in the periods in which the non-monetary assets arising on the same acquisition are recovered. The amount of negative goodwill that exceeds the fair value of non-monetary assets acquired shall be recognised in profit or loss in the periods expected to benefit.

Other intangible assets

Other intangible assets that are acquired by the group are stated at cost less accumulated amortisation and less accumulated impairment losses. The cost of an intangible asset acquired in a business combination is its fair value at the acquisition date.

Amortisation

Amortisation is charged to the profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

Patents and trademarks – 11 years

Goodwill is amortised on a straight line basis over its useful life. Goodwill has no residual value. The finite useful life of goodwill is estimated to be 10 years. The entity reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

The entity reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

Goodwill and other intangible assets are tested for impairment in accordance with FRS 102.27 when there is an indication that goodwill or an intangible asset may be impaired.

Research and development

Expenditure on research activities is recognised in the profit and loss as an expense as incurred.

Government grants

Grants relating to revenue are recognised in the profit and loss on a systematic basis over the periods in which the entity recognises the related costs for which the grant is intended to compensate.

Amounts recognised in the profit and loss are presented under the heading "Other operating income".

JFC Arkedia Group Limited and subsidiaries

Notes *(continued)*

1 Significant accounting policies *(continued)*

Stocks

Stocks are stated at the lower of cost and net realisable value, being estimated selling price less costs to complete and sell. Cost is based on the first-in first-out principle and includes replacement cost. In the case of manufactured stocks and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

Provision is made for obsolete, slow-moving or defective items, where appropriate.

Employee benefits

Defined contribution plans and other long term employee benefits

A defined contribution plan is a post-employment benefit plan under which the group pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Short-term benefits

Short-term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Provisions

A provision is recognised in the balance sheet when the group has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Turnover

Turnover represents amounts receivable for goods provided in the normal course of business, net of rebates, trade discounts and value added tax. Turnover is recognised when the significant risks and rewards of ownership of the goods have passed to the customer and where it is probable that the economic benefits will flow to the group and the amount of revenue can be measured reliably.

Expenses

Operating leases

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease.

Interest receivable and interest payable

Interest receivable and similar income includes interest receivable on funds invested and foreign exchange gains.

Interest payable and similar expenses comprises of interest payable and foreign exchange losses.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest rate method. Foreign exchange is reported on a net basis.

JFC Arkedia Group Limited and subsidiaries

Notes *(continued)*

1 Significant accounting policies *(continued)*

Expenses *(continued)*

Finance leases

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference.

Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

There are no judgements made by the directors in the application of these accounting policies that have a significant effect on the financial statements or estimates with a significant risk of material adjustment in the next year.

JFC Arkedia Group Limited and subsidiaries

Notes (continued)

3 Acquisition of business

Acquisitions in the current period

Interdiam B.V.

On 1 January 2024, the group acquired 78.38% of the share capital of Interdiam B.V. for a consideration of €4,915,209 of which €2,364,000 is deferred at 31 December 2024. The company manufactures and develops diamond tools. As part of the agreement, a put and call option was entered into to acquire the remaining 21.62% of the share capital. Based on the terms of the put option, the group is deemed to have acquired 100% of the shares in the company and the put option has been treated as part of the consideration paid in respect of the acquisition.

The business contributed revenue of €4,772,083 and net profit of €444,546, to the revenue and net profit for the year.

Effect of acquisition

The acquisition had the following effect on the group's assets and liabilities.

	Recognised values on acquisition €
Acquiree's net assets at the acquisition date:	
Tangible fixed assets	2,131,000
Stocks	1,515,996
Trade and other debtors	720,019
Trade and other creditors	(834,591)
Trade and other creditors	(1,018,840)
Deferred tax liability	(87,636)
	<hr/>
Net identifiable assets and liabilities	2,425,948
	<hr/>
Total cost of business combination:	
Consideration:	
Initial cash consideration relating to business combination	2,157,209
Costs directly attributable to the business combination	394,000
Deferred consideration	2,364,000
	<hr/>
Total consideration	4,915,209
	<hr/>
Goodwill on acquisition	2,489,261
	<hr/> <hr/>

JFC Arkedia Group Limited and subsidiaries

Notes (continued)

4 Turnover	2024	2023
	€	€
Sale of goods	46,383,289	45,514,766
<i>By class of business:</i>		
Diamond tools	37,386,237	35,012,139
Machines	8,997,052	10,502,627
	46,383,289	45,514,766
<i>By geographical market:</i>		
Europe	42,689,109	40,532,279
Rest of world	3,694,180	4,982,487
	46,383,289	45,514,766
5 Other operating income	2024	2023
	€	€
Government grants (employment related)	7,327	12,650
Sundry income	2,026	17,344
Net gain on disposal of fixed assets	-	18,996
	9,353	48,990
6 Expenses and auditor's remuneration	2024	2023
	€	€
<i>Included in (loss)/profit are the following:</i>		
Research and development expensed as incurred	54,309	94,281
	2024	2023
	€	€
<i>Auditor's remuneration, including outlay</i>		
Audit of these financial statements	45,500	37,275
Non-audit services	1,100	1,000

JFC Arkedia Group Limited and subsidiaries

Notes (continued)

7 Staff numbers and costs

The average number of persons employed by the group (including directors) during the year, analysed by category, was as follows:

	2024 No.	2023 No.
Management	28	26
Administration	88	89
Manufacturing	103	94
	<u>219</u>	<u>209</u>

The aggregate payroll costs of these persons was as follows:

	2024 €	2023 €
Wages and salaries	12,978,401	12,406,847
Social insurance costs	3,196,183	3,089,754
Contributions to defined retirement contribution plans	268,683	184,024
	<u>16,443,267</u>	<u>15,680,625</u>

Employee benefits

The group operates a defined contribution pension plan.

The total expense relating to this plan in the current year was €268,683 (2023: €184,024). An amount of €Nil (2023: €Nil) was included in accruals at year end.

8 Directors' remuneration and transactions	2024 €	2023 €
Emoluments	12,000	12,000
	<u>12,000</u>	<u>12,000</u>

Emoluments comprise an allocation of director time for the period.

9 Interest	2024 €	2023 €
<i>Interest receivable and similar income</i>		
Interest receivable on financial assets at amortised cost	27,046	1,897
Net foreign exchange gains	-	18,202
Other interest income	13,104	-
	<u>40,150</u>	<u>20,099</u>

JFC Arkedia Group Limited and subsidiaries

Notes (continued)

9 Interest (continued)	2024	2023
	€	€
<i>Interest payable and similar expenses</i>		
Interest payable on financial liabilities at amortised cost	391,404	238,688
Net foreign exchange losses	82,689	-
	474,093	238,688
	474,093	238,688
	2024	2023
	€	€
The tax expense for the year comprises:		
<i>Current tax:</i>		
Current tax on income for the year:		
- Irish corporation tax	21,912	19,091
- Foreign corporation tax	504,063	270,498
	525,975	289,589
Total current tax	525,975	289,589
<i>Deferred tax:</i>		
Origination and reversal of timing differences (note 20)		
	(42,074)	8,401
	(42,074)	8,401
Total deferred tax	(42,074)	8,401
Tax on profit	483,901	297,990
	2024	2023
	€	€
(Loss)/profit before taxation	(808,222)	541,087
Tax using the Irish corporation tax rate of 12.5%	(101,028)	67,636
Effect of tax rates in foreign jurisdictions	178,122	158,740
Income not taxable	-	(8,752)
Impact of unrecognised tax losses	243,586	-
Other	163,221	80,366
Total tax expense included in profit or loss	483,901	297,990

The group has an unrecognised deferred tax asset based on gross tax losses available for carry forward of €5.8m (2023: €3.7m) as at 31 December 2024 which has not be recognised on the basis that there is uncertainty as to the availability of future profits against which it can be recovered.

JFC Arkedia Group Limited and subsidiaries

Notes (continued)

11 Intangible assets	Goodwill €	Patents and trademarks €	Negative goodwill €	Total €
Group				
Cost				
At 1 January	-	6,214,530	(11,406,302)	(5,191,772)
Additions	-	120,179	-	120,179
Acquisitions through business combinations (note 3)	2,489,261	-	-	2,489,261
Disposals	-	(41,358)	-	(41,358)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December	2,489,261	6,293,351	(11,406,302)	(2,623,690)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Amortisation				
At 1 January	-	(5,593,915)	11,406,302	5,812,387
Charge for the year	(248,926)	(447,961)	-	(696,887)
Disposals	-	38,032	-	38,032
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December	(248,926)	(6,003,844)	11,406,302	5,153,532
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Net book value				
At 31 December	2,240,335	289,507	-	2,529,842
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 1 January	-	620,615	-	620,615
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

JFC Arkedia Group Limited and subsidiaries

Notes (continued)

12 Tangible fixed assets						
Group	Freehold property €	Plant and machinery €	Motor vehicles €	Fixtures and fittings €	Assets under construction €	Total €
Cost						
At 1 January	11,885,530	21,919,003	265,756	1,992,949	1,326,058	37,389,296
Additions	16,058	218,096	78,788	67,878	2,318,430	2,699,250
Disposals	(359,470)	(3,383)	(11,768)	(90,370)	(169,263)	(634,254)
Exchange adjustments	(38,165)	(5,078)	(2,281)	(1,708)	-	(47,232)
Additions through business combinations (note 3)	1,795,000	313,526	-	22,474	-	2,131,000
At 31 December	13,298,953	22,442,164	330,495	1,991,223	3,475,225	41,538,060
Depreciation and impairment						
At 1 January	7,962,160	20,120,435	148,749	1,539,822	138,489	29,909,655
Charge for the year	452,771	512,038	43,662	131,595	55,759	1,195,825
Disposals	(9,265)	(3,383)	(11,678)	(90,370)	-	(114,696)
Exchange adjustments	-	(3,426)	(1,319)	(1,167)	-	(5,912)
At 31 December	8,405,666	20,625,664	179,414	1,579,880	194,248	30,984,872
Net book value						
At 31 December	4,893,287	1,816,500	151,081	411,343	3,280,977	10,553,188
At 1 January	3,923,370	1,798,567	117,007	453,127	1,187,469	7,479,540

Included above is land with a cost of €3,279,873 (2023: €3,318,038) which is not subject to depreciation.

13 Financial assets	
Company	Investments in subsidiary undertakings €
Cost	
At beginning and end of year	4,605,089

None of the shares in subsidiary undertakings are listed. In the opinion of the directors, the investment in shares above is worth at least the amounts at which they are stated in the balance sheet.

JFC Arkedia Group Limited and subsidiaries

Notes (continued)

13 Financial assets (continued)

The following are subsidiary undertakings of the company:

Name and registered office	Country of incorporation	Principal activity	Class of shares	Ownership	
				2024	2023
Samedia 21 du Bois Joy Nord 6 Rue Etienne Lenoir 85500 les Herbiers France	France	Production and manufacture of professional light-use diamond tools	152,400 shares of €20 each	100%	100%
Samedia Corp. 346 N, Justine Street Suite 302, Chicago IL 60607 United States of America	United States of America	Distribution of professional light-use diamond tools	100 shares of US\$ 50 each	100%	100%
Samedia Inc 4050 Rue Lesage Suite 100 Sherbrooke QC J1L 0B6 Canada	Canada	Distribution of professional light-use diamond tools	100 shares of CAD 70.25 each	100%	100%
Samedia GmbH Marie-Curie-Strasse 10 79211 Denzlingen Germany	Germany	Manufacture and development of diamond tools	10 shares of €5,200 each	100%	100%
Carbodiam Rue Général Mellier 27 B-1495 Tilly Belgium	Belgium	Manufacture and development of heavy-use concrete cutting diamond tools	17,242 shares of €158 each	100%	100%
Ultradia Rue Edouard Belin 3 1435 Mont-Saint-Guibert Belgium	Belgium	Distribution of professional light-use and heavy-use diamond tools and machines	750 shares of €83 each	100%	100%
Fuhrer + Bachmann Rümikerstrasse 1 CH-8352 Elsau Switzerland	Switzerland	Manufacture and development of diamond blade cutting machines	100 shares of CHF 1,000 each	100%	100%
JFC Swiss Real Estate AG Rümikerstrasse 1 CH-8352 Elsau Switzerland	Switzerland	Property development company	100 shares of CHF 1,000 each	100%	100%
Interdiam B.V. Wheemergaarden 5, 7161 BZ Neede, Netherlands	Netherlands	Manufacture and development of diamond tools	39,190 shares of €1 each	78.38%*	-

With the exception of Fuhrer and Bachmann; JFC Swiss Real Estate AG; Samedia Corp., Interdiam B.V., Samedia Inc and Ultradia, all shares in subsidiaries are directly held.

*Refer to note 3 for further details.

JFC Arkedia Group Limited and subsidiaries

Notes (continued)

14 Stocks	2024	2023
	€	€
Group		
Raw material and consumables	2,760,706	1,962,996
Work in progress	1,327,393	1,361,550
Finished goods	5,387,568	5,704,631
	<hr/>	<hr/>
Total	9,475,667	9,029,177
	<hr/> <hr/>	<hr/> <hr/>

The replacement cost of stocks did not differ significantly from the amounts shown above.

15 Debtors: amounts falling due within one year

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
Trade debtors	5,997,175	6,083,110	-	-
Prepayments	375,764	221,972	-	6,565
Other debtors	579,757	458,903	-	-
Amounts owed by fellow group undertakings (note 28)	-	-	60,000	40,000
Amounts owed by a related party (note 28)	36,771	36,771	36,771	36,771
Irish VAT recoverable	37,803	27,202	3,455	27,202
Foreign VAT recoverable	155,210	77,947	-	-
Corporation tax recoverable	47,044	39,592	-	-
Unpaid called up share capital	1	1	1	1
	<hr/>	<hr/>	<hr/>	<hr/>
	7,229,525	6,945,498	100,227	110,539
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Amounts owed by fellow group undertakings are interest free, unsecured and payable on demand.

16 Cash and cash equivalents	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
Cash at bank and in hand	4,130,341	4,673,415	582,494	415,636
Bank overdrafts	(1,080,374)	(1,703,492)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Cash and cash equivalents per cash flow statement	3,049,967	2,969,923	582,494	415,636
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

JFC Arkedia Group Limited and subsidiaries

Notes (continued)

17 Creditors: amounts falling due within one year

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
Bank overdrafts (note 19)	1,080,374	1,703,492	-	-
Amounts owed to credit institutions (note 19)	968,084	408,041	-	-
Invoice discounting facilities (note 19)	897,730	965,373	-	-
Trade creditors	6,231,969	5,607,156	18,477	17,488
Accruals	2,765,793	2,362,815	66,000	39,933
Deferred consideration	444,000	-	-	-
Payroll taxes	417,887	526,052	-	-
VAT payable	308,014	241,678	-	-
Irish corporation tax	118,976	33,023	18,648	33,023
Foreign corporation tax	14,781	171,250	-	-
Loan advanced by fellow group undertaking (note 28)	-	-	456,054	438,513
Amounts owed to a related party (note 28)	4,769,172	3,978,601	3,013,595	3,011,760
	<u>18,016,780</u>	<u>15,997,481</u>	<u>3,572,774</u>	<u>3,540,717</u>

18 Creditors: amounts falling due after more than one year

	Group	2023
	2024	€
	€	€
Amounts owed to credit institutions (note 19)	5,972,869	3,567,471
Deferred consideration in respect of put option (note 3)	1,920,000	-
	<u>7,892,869</u>	<u>3,567,471</u>

19 Interest bearing loans and borrowings

This note provides information about the contractual terms of the group's interest-bearing loans and borrowings. These loans and borrowings are measured at amortised cost.

Creditors: amounts falling due within one year	2024	2023
	€	€
Bank overdraft	1,080,374	1,703,492
Secured bank loans	968,084	408,041
Invoice discounting facilities	897,730	965,373
	<u>2,946,188</u>	<u>3,076,906</u>
Creditors: amounts falling due after more than one year	2024	2023
	€	€
Secured bank loans	5,972,869	3,567,471
	<u>5,972,869</u>	<u>3,567,471</u>

In the normal course of business, the group has provided commitments and guarantees to its bankers.

JFC Arkedia Group Limited and subsidiaries

Notes (continued)

19 Interest bearing loans and borrowings (continued)

Security

Two of the group's premises including land have been provided as security over the group's banking facilities. Included in debtors as at 31 December 2024 is €63,925 (2023: €71,248) relating to amounts placed on deposit by the group in respect of financing facilities.

Terms and debt repayment schedule

	Currency	Interest rate	Maturity	2024 €	2023 €
Bank overdraft	EUR	2.5% - 3.3%	Renewal every 90 days	-	425,000
Bank overdraft	EUR	5.16% (2023: 6.44%)	Renewal every 12 months	350,000	350,000
Bank overdraft	EUR	5.16% (2023: 6.53%)	Renewal every 12 months	300,000	300,911
Bank overdraft	EUR	Euribor 3M + 1.2%	Renewal every 30 – 365 days	190,000	190,000
Bank overdraft	CHF	6.44%	Renewal every month	-	215,983
Bank overdraft	EUR	5.16% (2023: 6.44%)	Renewal every 12 months	200,000	200,000
Secured bank loan	CHF	2.84%	2033	1,354,654	1,393,088
Secured bank loans	EUR	0.61% - 3.7%	2025	82,894	156,355
Secured bank loans	EUR	0.57% - 3.86%	2026	152,331	265,379
Secured bank loan	EUR	0.52% - 3.7%	2027	504,514	663,257
Secured bank loans	EUR	1.65%	2028	479,437	639,313
Secured bank loans	EUR	0.83% - 5.08% (2023: 0.83%)	2031	3,432,447	806,792
Secured bank loans	EUR	3.89%	2029	163,624	-
Secured bank loans	CHF	2.32%	2029	757,542	-
Cash advance	EUR	0%	2025 and 2026	53,884	72,924
Invoice discounting facilities	EUR	Euribor + 0.5% – 0.8%	6 months	897,730	965,373
				8,919,057	6,644,377

JFC Arkedia Group Limited and subsidiaries

Notes (continued)

20 Provisions for liabilities	Deferred tax liability €	Retirement provision €	Warranty provision €	Total €
Group				
At 1 January	752,617	278,988	-	1,031,605
(Credited)/charged to profit and loss	(42,074)	41,046	31,136	30,108
Additions through business combinations (note 3)	87,636	-	-	87,636
	<u>798,179</u>	<u>320,034</u>	<u>31,136</u>	<u>1,149,349</u>
At 31 December	798,179	320,034	31,136	1,149,349

The deferred tax liability can be analysed as follows:

	Fixed assets €	Other €	Total €
At 1 January	697,810	54,807	752,617
Additions through business combinations (note 3)	87,636	-	(87,636)
Credited to profit and loss	-	(42,074)	(42,074)
	<u>785,446</u>	<u>12,733</u>	<u>798,179</u>
At 31 December	785,446	12,733	798,179

21 Financial instruments

Carrying amounts of financial instruments held at other than fair value

The carrying amounts of the financial assets and liabilities include:

	Group 2024 €	2023 €	Company 2024 €	2023 €
Financial assets measured at cost less impairment	-	-	4,605,089	4,605,089
Financial assets measured at amortised cost	10,499,590	11,042,650	679,265	492,407
Financial liabilities measured at amortised cost	(20,364,197)	(16,230,134)	(3,488,126)	(3,467,761)
	<u>(20,364,197)</u>	<u>(16,230,134)</u>	<u>(3,488,126)</u>	<u>(3,467,761)</u>

JFC Arkedia Group Limited and subsidiaries

Notes (continued)

22 Changes in net debt

Net debt represents the amount of borrowings and overdrafts less cash. The changes in net debt arising during the year ended 31 December 2024 were as follows:

Group	Net cash and cash equivalents €	Borrowings €	Total €
At 1 January	2,969,923	(8,919,486)	(5,949,563)
Cashflow	125,512	-	125,512
Net proceeds from loans	-	(3,756,012)	(3,756,012)
Net proceeds from invoice discounting	-	67,643	67,643
Fair value gains and losses and exchange movements	(45,468)	-	(45,468)
At 31 December	3,049,967	(12,607,855)	(9,557,888)

23 Share capital

	Ordinary shares of €1 each No.
In issue at beginning and end of year	6,616
	2024 €
Authorised 100,000 ordinary shares of €1 each	100,000
Allotted and called up 6,616 ordinary shares of €1 each	6,616

24 Operating leases

The total future minimum lease payments under non-cancellable operating lease rentals are payable as follows:

	2024 €	2023 €
Group		
Less than one year	91,822	87,627
Between one and five years	308,582	354,559
	400,404	442,186

During the year, €414,610 (2023: €282,694) was recognised as an expense in the profit and loss account in respect of operating leases.

JFC Arkedia Group Limited and subsidiaries

Notes *(continued)*

25 Commitments and contingencies

Contingencies

The group is in receipt of grants which may be revoked, cancelled or abated in certain circumstances.

Capital commitments

The group had no capital commitments in the current year, or the prior year.

Guarantees

A subsidiary of the group, Samedia GmbH, makes use of the exemption according to paragraph §264/3 German GAAP to prepare annual financial statements.

26 Subsequent events

No material events have occurred since the balance sheet date which would effect the financial statements of the group.

27 Ultimate controlling party

The company is a wholly owned subsidiary of JFC Arkedia Holdings Limited. The ultimate controlling party is John Concannon.

The largest group in which the results of the company are consolidated is that headed by JFC Arkedia Holdings Limited, Tuam Business Park, Wier Road, Tuam, Co. Galway. The smallest group in which they are consolidated is that headed by itself. No other group financial statements include the results of the company. The consolidated financial statements of these groups are available from the Companies House in Ireland.

28 Related party transactions

The company is availing of the exemption available under Section 33 Related Party Disclosures of Financial Reporting Standard 102 from disclosure transactions entered into between wholly owned group undertakings. At 31 December 2024, €60,000 (2023: €40,000) was owed to the company by Samedia France, and is included in debtors. In addition, the company is in receipt of a loan advanced by Samedia GmbH. The loan bears interest at 4% and is unsecured and payable on demand. At 31 December 2024, €456,054 (2023: €438,513) was owed by the company to Samedia GmbH in respect of loan and interest which is included in creditors.

Transactions with key management personnel

Total compensation paid to key management personnel of the group in the year amounted to €790,706 (2023: €733,255). Key management personnel of the company were not remunerated for services provided to the company during the year (2023: €Nil). Details of each director's interests in shares are outlined in the directors' report.

JFC Arkedia Group Limited and subsidiaries

Notes *(continued)*

28 Related party transactions *(continued)*

Other related party transactions

Group

At 31 December 2024, €36,771 (2023: €36,771) was owed to the group by JFC Netherlands BV, an entity subject to common control, and is included in debtors. This balance is interest free, unsecured and payable on demand.

During the year, JFC Manufacturing Co. Ltd extended loans of €788,024 (2023: €949,911) to the group. €400,000 of the loans bear interest at Euribor plus 2.5%. Interest of €90,576 (2023: €18,143) was charged in this loan in the period. At 31 December 2024, €4,766,625 (2023: €3,978,601) of loans were owed to JFC Manufacturing Co. Limited by the group and are included in creditors.

At 31 December 2024, €2,547 (2023: €712) was owed to JFC Manufacturing Co. Ltd by the group in respect of amounts paid by JFC Manufacturing Co. Ltd on behalf of the company, and is included in creditors.

Company

At 31 December 2024, €36,771 (2023: €36,771) was owed to the company by JFC Netherlands BV, an entity subject to common control, and is included in debtors. This balance is interest free, unsecured and payable on demand.

At 31 December 2024, €3,011,048 (2023: €3,011,048) of loans were owed to JFC Manufacturing Co. Limited by the company and are included in creditors. The loans are interest free.

At 31 December 2024, €2,547 (2023: €712) was owed to JFC Manufacturing Co. Ltd by the company in respect of amounts paid by JFC Manufacturing Co. Ltd on behalf of the company, and is included in creditors.

29 Approval of consolidated financial statements

The board of directors approved these consolidated financial statements on

23/12/2025.