Middle East Investor Relations Association
Dubai - United Arab Emirates

Auditor's report and financial statements for the year ended December 31, 2018

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General information

Office address	:	Office 18, Level 7 Sheikh Rashid Tower Dubai World Trade Center P.O. Box 9576 Dubai - United Arab Emirates T: +971-4-3097034
Email	:	info@meira.me
Website	:	www.meira.me
Legal status	:	Association
General Manager/Board Secretary	:	Mr. John Gollifer
Managing Board Members	:	Mr. Andrew Tarbuck (Chair) Ms. Sofia El Boury (Vice - Chair) Mr. Redwan Ahmed (Treasurer) Mr. Mohammad Abdal (Board Member) Mr. Mahmoud Salem (Board Member) Mr. Omar Darwazah (Board Member) Mr. Chris Wilson (Board Member) Mr. Paul Louis Gay (Board Member) Mr. Peter Gotke (Board Member) Ms. Noor Sweid (Board Member)
The main bank	:	RAK Bank
Auditor	:	ABK Saqer Auditing P.O. Box 19524 Dubai - United Arab Emirates

Ref: ABK/AR/1090/19

Independent Auditor's Report

To

The Members
Middle East Investor Relations Association
Dubai - United Arab Emirates

Report on the audit of financial statements

Opinion

We have audited the accompanying financial statements of **M/s. Middle East Investor Relations Association, Dubai - United Arab Emirates,** ("the Entity") which comprise the statement of financial position as at December 31, 2018 and the statement of income and expenditure, statement of changes in equity, statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2018 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Managing Board's responsibility for the financial statements

Managing Board of the Entity is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS). The Managing Board is also responsible for such internal controls as it determines 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 Managing Board is responsible for assessing the Entity'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 Managing Board either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

The Managing Board is responsible for overseeing the Entity's financial reporting process.

Independent Auditor's Report (continued)

Auditor's responsibility 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 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

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

- Conclude on the appropriateness of the Managing Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in auditor's report to the related disclosures in the financial statements or, if such disclosure is inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Managing Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

For ABK Saqer Auditing
Auditors & Business Advisors

Shaikh Mohamed Saqer Rashid Al Nuaimi
Reg no. 666

March 13, 2019

Middle East Investor Relations Association

Dubai - United Arab Emirates

Statement of financial position as at December 31, 2018

(In Arab Emirates Dirham)

	Notes	Dec 31, 2018	Dec 31, 2017
Assets			
Non-current assets			
Property, plant and equipment	5	**12,380**	957
Intangible assets	6	**44,932**	-
Total non-current assets		**57,312**	957
Current assets			
Accounts receivable	7	**195,898**	213,695
Advances, deposits and other receivables	8	**103,472**	60,629
Cash and bank balances	9	**255,570**	614,676
Total current assets		**554,940**	889,000
Total assets		**612,252**	889,957
Equity and liabilities			
Equity			
Members' funds	10	**575,969**	575,261
Total equity		**575,969**	575,261
Non-current liabilities			
Employees' end of service benefits	11	**22,895**	56,356
Total non-current liabilities		**22,895**	56,356
Current liabilities			
Accounts and other payables	12	**13,388**	258,340
Total current liabilities		**13,388**	258,340
Total liabilities		**36,283**	314,696
Total equity and liabilities		**612,252**	889,957

The accompanying notes form an integral part of these financial statements.

The independent auditor's report is set out on pages 2 and 3.

The financial statements on pages 4 to 19 were approved on March 13, 2019 and signed on behalf of the Entity, by:

(Authorized signatory)

Middle East Investor Relations Association

Dubai - United Arab Emirates

Statement of income and expenditure for the year ended December 31, 2018

(In Arab Emirates Dirham)

	Notes	Jan 01, 2018 to Dec 31, 2018	Aug 25, 2016 to Dec 31, 2017
Income			
Partnership income		**352,055**	611,055
Training income		**485,178**	606,925
Membership income		**439,560**	495,800
Annual conference sponsorship income		**253,676**	337,204
Other Income	**13**	**6,660**	-
Total income		**1,537,129**	2,050,984
Expenses			
Training expenses		**(313,855)**	(506,974)
Annual conference expenses		**(200,554)**	(206,288)
Other event expenses		**(79,450)**	(98,571)
Administrative expenses	**14**	**(942,562)**	(1,401,164)
Total expenses		**(1,536,421)**	(2,212,997)
Excess of income over expenditure/(expenditure over income)		**708**	(162,013)

The accompanying notes form an integral part of these financial statements.

The independent auditor's report is set out on pages 2 and 3.

The financial statements on pages 4 to 19 were approved on March 13, 2019 and signed on behalf of the Entity, by:

(Authorized signatory)

Middle East Investor Relations Association

Dubai - United Arab Emirates

Statement of changes in equity for the year ended December 31, 2018

(In Arab Emirates Dirham)

	Accumulated surplus
Members' funds	
Balance as at August 25, 2016	737,274
Excess of expenditure over income for the period	(162,013)
Balance as at December 31, 2017	575,261
Excess of income over expenditure for the year	708
Balance as at December 31, 2018	**575,969**

The accompanying notes form an integral part of these financial statements.

The independent auditor's report is set out on pages 2 and 3.

Middle East Investor Relations Association
Dubai - United Arab Emirates

Statement of cash flows for the year ended December 31, 2018
(In Arab Emirates Dirham)

	Jan 01, 2018 to Dec 31, 2018	Aug 25, 2016 to Dec 31, 2017
Cash flows from operating activities		
Excess of income over expenditure/(expenditure over income) for the year/period	**708**	(162,013)
Adjustments for:		
Depreciation on property, plant and equipment	**5,829**	2,206
Allowance for doubtful receivables	**33,107**	26,735
Amortisation on intangible assets	**6,318**	-
Provision for employees' end of service benefits	**43,376**	19,751
Cash inflow/(outflow) before working capital changes	**89,338**	(113,321)
(Increase)/decrease in current assets		
Accounts receivable	**(15,310)**	136,327
Advances, deposits and other receivables	**(42,843)**	(45,888)
(Decrease)/increase in current liabilities		
Accounts and other payables	**(244,952)**	150,512
Cash (used in)/generated from operations	**(213,767)**	127,630
Employees' end-of-services benefits paid	**(76,837)**	-
Net cash (used in)/from operating activities	**(290,604)**	127,630
Cash flows from investing activities		
Acquisition of intangible assets	**(51,250)**	-
Purchase of property, plant and equipment	**(17,252)**	-
Net cash (used in) investing activities	**(68,502)**	-
Net (decrease)/increase in cash and cash equivalents	**(359,106)**	127,630
Cash and cash equivalents, beginning of the year/period	**614,676**	487,046
Cash and cash equivalents, end of the year/period	**255,570**	614,676
Represented by:		
Cash in hand	**2,626**	1,258
Bank balance	**252,944**	613,418
	255,570	614,676

The accompanying notes form an integral part of these financial statements.

The independent auditor's report is set out on pages 2 and 3.

1 Legal status and business activities

1.1 **M/s. Middle East Investor Relations Association, Dubai - United Arab Emirates,** ("the Entity") was incorporated on August 25, 2016 as an Association and operates in the United Arab Emirates under a license issued by the Dubai Chamber of Commerce and Industry.

1.2 The Entity is engaged in promoting the investor relations profession and international standards in corporate governance.

1.3 The registered address of the Entity is at Office 18, Level 7, Sheikh Rashid Tower, Dubai World Trade Center, P.O. Box 9576, Dubai - United Arab Emirates.

1.4 These financial statements incorporate the operating results of the license no. DAC-0029.

2 Applicable International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS)

2.1 Amendments to IAS and IFRS that are mandatorily effective for the current year

In the current year, the Entity has applied a number of amendments to IFRSs issued by the International Accounting Standards Board that are mandatorily effective for an accounting period that begins on or after January 01, 2018.

a) IFRS 9: Financial Instruments
b) IFRS 15: Revenue from Contracts with Customers
c) Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)
d) Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments to IFRS 4)
e) Transfers of Investment Property (Amendments to IAS 40)
f) Annual Improvements to IFRSs 2014-2016 Cycle (Amendments to IFRS 1 and IAS 28)
g) IFRIC 22 Foreign Currency Transactions and Advance Consideration

2.2 New and revised IAS and IFRSs in issue but not yet effective and not early adopted

The Entity has not adopted the following new and revised IFRSs that have been issued but not yet effective:

a) IFRS 16: Leases - Effective for annual periods beginning on or after January 01, 2019.

b) IFRS 17: Insurance Contracts - Effective for annual periods beginning on or after January 01, 2021.

c) IFRIC 23: Uncertainty over Tax Treatments - Effective for annual periods beginning on or after January 01, 2019.

d) Prepayment Features with Negative Compensation (Amendments to IFRS 9) - Effective for annual periods beginning on or after January 01, 2019.

e) Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28) - Effective for annual periods beginning on or after January 01, 2019.

f) Plan Amendment, Curtailment or Settlement (Amendments to IAS 19) - Effective for annual periods beginning on or after January 01, 2019.

g) Annual Improvements to IFRS Standards 2015–2017 Cycle – various standards - Effective for annual periods beginning on or after January 01, 2019.

In the opinion of the Management, the adoption of these Standards and Interpretations will have no material impact on the financial statements of the Entity in the period of initial application.

3 Significant accounting policies

3.1 Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards and the applicable requirements of the U.A.E. laws. These financial statements are presented in United Arab Emirates Dirham (AED) since that is the currency of the country in which the Entity is domiciled.

3.2 Basis of preparation

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for assets or goods or services.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Entity's accounting policies.

The principal accounting policies applied in these financial statements are set out below.

3.3 Current/Non-current classification

The Entity presents assets and liabilities in statement of financial position based on current/non-current classification. An asset as current when it is:

Expected to be realised or intended to sold or consumed in normal operating cycle or held primarily for the purpose of trading or expected to be realised within twelve months after the reporting period, or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current. A liability is current when it is:

Expected to be settled in normal operating cycle or it is held primarily for the purpose of trading or it is due to be settled within twelve months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Entity classifies all other liabilities as non-current.

3.4 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or

In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Entity.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

3 Significant accounting policies (continued)

3.5 Foreign currency

In preparing the financial statements of Entity, transactions in currencies other than the Entity's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

3.6 Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and identified impairment loss, if any. The cost comprise of purchase price, together with any incidental expense of acquisition.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Entity and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the statement of profit or loss and other comprehensive income during the financial year in which they are incurred.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of profit or loss and other comprehensive income.

Depreciation is spread over its useful lives so as to write off the cost of property, plant and equipment using the straight-line method over its useful lives as follows:

	Years
Office equipment	2

3.7 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation losses.

Website development

Website development cost is capitalised on the basis of the costs incurred to acquire and bring it in to use. These costs are amortised over their estimated useful lives of 4 years.

3 Significant accounting policies (continued)

3.8 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Entity's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Entity has applied the practical expedient, the Entity initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Entity has applied the practical expedient are measured at the transaction price determined under IFRS 15.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

a) Financial assets at amortised cost
b) Financial assets at fair value through Other Comprehensive Income (OCI) with recycling of cumulative gains and losses (debt instruments)
c) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
d) Financial assets at fair value through profit or loss

<u>Financial assets at amortised cost</u>

The Entity measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

  Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Entity's financial assets measured at amortized cost include the following:

Accounts and other receivables

Accounts receivable are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Accounts and other receivables are initially recognised at fair value and subsequently measured at amortised cost reduced by appropriate allowance for estimated doubtful debts.

3 Significant accounting policies (continued)

3.8 Financial instruments (continued)

a) Financial assets (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Financial assets designated at fair value through OCI (debt instruments)

The Entity measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding cash flows and selling.

  For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Entity does not have any financial assets under this category as at the reporting date.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Entity can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Entity benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Entity does not have any financial assets under this category as at the reporting date.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

The Entity does not have any financial assets under this category as at the reporting date.

3 Significant accounting policies (continued)

3.8 Financial instruments (continued)

a) Financial assets (continued)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Entity's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Entity has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Entity has transferred substantially all the risks and rewards of the asset, or (b) the Entity has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

The adoption of IFRS 9 requires the Entity to account for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking Expected Credit Loss (ECL) approach. IFRS 9 requires the Entity to record an allowance for ECLs for all loans and other debt financial assets not held at Fair value through profit or loss (FVPL). ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Entity expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

For trade receivables and other receivables, the Entity has applied the simplified approach and has calculated ECLs based on lifetime expected credit losses. The Entity has established a provision matrix that is based on the Entity's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Entity considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Entity may also consider a financial asset to be in default when internal or external information indicates that the Entity is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Entity. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

b) Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. Financial liabilities include accounts and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

<u>Accounts and other payables</u>

Accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Accounts and other payables are recognised initially at fair value and subsequently are measured at amortised cost using effective interest method.

3 Significant accounting policies (continued)

3.9 Revenue recognition

Revenue from contract with customers

The Entity recognises revenue from contracts with customers in accordance with IFRS 15 and based on a five step model as stated below:

a) Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
b) Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
c) Determine the transaction price: The transaction price is the amount of consideration to which the Entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
d) Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Entity will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Entity expects to be entitled in exchange for satisfying each performance obligation.
e) Recognise revenue when (or as) the entity satisfies a performance obligation.

The Entity satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Entity's performance as the Entity performs; or
- The Entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Entity's performance does not create an asset with an alternative use to the Entity and the entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

When the Entity satisfies a performance obligation by delivering the promised goods or services it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Entity and the revenue and costs, if applicable, can be measured reliably.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 4.

4 Critical accounting judgements and key sources of estimation uncertainty

The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures and the disclosure of contingent liabilities at the reporting date. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The key judgments and estimates and assumptions that have a significant impact on the financial statements of the Entity are discussed below:

Judgments

Satisfaction of performance obligations

The Entity is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognising revenue. The Entity has assessed that based on the sale and purchase agreements entered into with customers and the provisions of relevant laws and regulations, where contracts are entered into to provide real estate assets to customer, the Entity does not create an asset with an alternative use to the Entity and usually has an enforceable right to payment for performance completed to date. In these circumstance the Entity recognises revenue over time. Where this is not the case revenue is recognised at a point in time.

Determination of transaction prices

The Entity is required to determine the transaction price in respect of each of its contracts with customers. In making such judgment the Entity assess the impact of any variable consideration in the contract, due to discounts or penalties, the existence of any significant financing component in the contract and any non-cash consideration in the contract. In determining the impact of variable consideration the Entity uses the “most-likely amount” method in IFRS 15 Revenue from Contracts with Customers whereby the transaction price is determined by reference to the single most likely amount in a range of possible consideration amounts.

Transfer of control in contracts with customers

In cases where the Entity determines that performance obligations are satisfied at a point in time, revenue is recognised when control over the assets that is the subject of the contract is transferred to the customer.

Estimations and assumptions

Impairment of trade and other receivables

An estimate of the collectible amount of trade and other receivables is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due, based on expected credit loss on such receivables.

Useful lives of property, plant and equipment.

The Entity's management determines the estimated useful lives of its property, plant and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. The management periodically reviews estimated useful lives and the depreciation method to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

5 Property, plant and equipment

	Office equipment
Cost:	
Balance as at August 25, 2016	3,163
Balance as at December 31, 2017	3,163
Additions during the year	17,252
Balance as at December 31, 2018	**20,415**
Accumulated depreciation:	
Charge for the period	2,206
Balance as at December 31, 2017	2,206
Charge for the year	5,829
Balance as at December 31, 2018	**8,035**
Carrying value as at December 31, 2018	**12,380**
Carrying value as at December 31, 2017	957

6 Intangible assets

The carrying value of the intangible assets are as follows:

	Website development
Cost:	
Additions during the year	51,250
Balance as at December 31, 2018	**51,250**
Accumulated amortisation:	
Amortisation during the year	6,318
Balance as at December 31, 2018	**6,318**
Carrying value as at December 31, 2018	**44,932**

7 Accounts receivable

	Dec 31, 2018	Dec 31, 2017
Membership fee receivable	**130,502**	109,520
Partnership fee receivable	**46,250**	127,650
Training fee receivable	**39,028**	3,260
	215,780	240,430
Less: allowance for doubtful receivables	**(19,882)**	(26,735)
	195,898	213,695

		Dec 31, 2018	Dec 31, 2017
7	**Accounts receivable (continued)**		
	Allowance for doubtful receivables		
	Balance at the beginning of the year	**26,735**	-
	Charge during the year/period (note 14)	**33,107**	26,735
	Written off during the year	**(39,960)**	-
	Balance at the end of the year/period	**19,882**	26,735

Accounts receivable are provided based on a provision matrix that is based on the Entity's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. In determining the recoverability of accounts receivable, the Entity considers any change in the credit quality of the accounts receivable from the date credit was initially granted up to the reporting date. Accordingly, the management believes that there is no further credit allowance required for doubtful debts.

		Dec 31, 2018	Dec 31, 2017
8	**Advances, deposits and other receivables**		
	Deposits	**3,510**	3,510
	Prepayments	**25,646**	28,600
	Other receivables	**74,316**	28,519
		103,472	60,629
9	**Cash and bank balances**		
	Cash in hand	**2,626**	1,258
	Bank balance	**252,944**	613,418
		255,570	614,676
10	**Members' funds**		
	Accumulated surplus		
	Balance at the beginning of the year/period	**575,261**	737,274
	Excess of income over expenditure/(expenditure over income)	**708**	(162,013)
	Balance at the end of the year/period	**575,969**	575,261
11	**Employees' end of service benefits**		
	Balance at the beginning of the year/period	**56,356**	36,605
	Add: charge for the year/period	**43,376**	19,751
	Less: paid during the year	**(76,837)**	-
	Balance at the end of the year/period	**22,895**	56,356

Amounts required to cover end of service indemnity at the statement of financial position date are computed pursuant to the applicable Labour Law based on the employees' accumulated period of service and current basic remuneration at the end of reporting period.

		Dec 31, 2018	Dec 31, 2017
12	**Accounts and other payables**		
	Accounts payable	**-**	28,491
	Salaries and allowance payable	**-**	218,218
	Expenses payable	**13,388**	11,631
		13,388	258,340

		Jan 01, 2018 to Dec 31, 2018	Aug 25, 2016 to Dec 31, 2017
13	**Other income**		
	Sundry balances written back	**6,660**	-
14	**Administrative expenses**		
	Salaries and allowances	**721,330**	1,084,088
	Rent	**45,646**	57,038
	Legal, visa, professional and related	**57,516**	48,856
	Travelling and lodging	**11,180**	46,229
	Telephone and communication	**16,583**	29,056
	Printing and stationery	**8,671**	12,515
	Bank charges	**15,417**	16,535
	Accounts receivable written off	**-**	66,780
	Depreciation on property, plant and equipment (note 5)	**5,829**	2,206
	Amortisation on intangible assets (note 6)	**6,318**	-
	Allowance for doubtful receivables (note 7)	**33,107**	26,735
	Others	**20,965**	11,126
		942,562	1,401,164

15 Risk management

a) Interest rate risk

Interest rate risk is the risk that the fair values or future cash flows of significant financial instruments will fluctuate because of changes in market value rates.

As at the reporting date, there is no significant interest rate risk as there are no borrowings at year end.

b) Credit risk

Credit risk is the risk that the party to the financial instruments will fail to discharge an obligation and cause the other party to incur a financial loss. The Entity is exposed to credit risk on the following financial assets:

	Dec 31, 2018	Dec 31, 2017
Financial assets		
Accounts receivable	**195,898**	213,695
Advances, deposits and other receivables	**77,826**	32,029
Bank balance	**252,944**	613,418
	526,668	859,142

The Entity seeks to limit its risk with respect to bank balances by only dealing with reputable banks and with respect to account receivable by monitoring outstanding receivables. In the case of all other financial assets, the maximum exposure to credit risk is limited to the carrying value of the assets.

c) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates.

15 Risk management (continued)

c) Currency risk (continued)

The Entity does not have any significant exposure to currency risk, as most of its assets and liabilities are denominated in U.A.E. Dirham and U.S. Dollar to which Dirham to USD conversion is pegged.

d) Liquidity risk

Liquidity risk is the risk that the Entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Entity's approach to managing liquidity risk is to ensure that, as far as possible, it will always have sufficient financing available from members to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Entity's reputation.

The following table represents the contractual maturities of financial liabilities:

As at Dec 31, 2018	**Carrying value**	**Within 1 year**	**More than 1 year**
Accounts and other payables	**13,388**	**13,388**	**-**

As at Dec 31, 2017	Carrying value	Within 1 year	More than 1 year
Accounts and other payables	258,340	258,340	-

16 Fair value of financial instruments

The fair values of financial instruments comprising financial assets and financial liabilities are not materially different from their carrying values largely due to the short term maturities of these instruments.

17 Contingent liabilities

Except for the ongoing business obligations which are under normal course of activities against which no loss is expected, there has been no other known contingent liability on Entity's financial statements as of reporting date.

18 Commitments

Except for the ongoing business obligations which are under normal course of activities against which no loss is expected, there has been no other known capital commitment on Entity's financial statements as of reporting date.

19 Comparative amounts

Certain figures of the previous period were re-grouped/reclassified, wherever necessary, to conform to current year's presentation.

Figures of the current year comprise 12 months of operation, whereas previous period's figures comprise 16 months and 7 days. Hence these current year figures are strictly not comparable with previous period's figures.