middle east investor relations association

ANNUAL REPORT & ACCOUNTS 2018

www.meira.me

ANNUAL REPORT & ACCOUNTS

OF THE YEAR ENDED 31 DECEMBER 2018

The Middle East Investor Relations Association (MEIRA) is an independent non-profit organisation dedicated to promoting the Investor Relations profession and international standards in corporate governance.

CONTACT US

meira

Middle East Investor Relations Association
7th Floor, Sheikh Rashid Tower, DWTC,
Dubai, UAE. PO Box 9576
Email: info@meira.me
Phone: +971 (0)4 309 7034
Website: www.meira.me

CONTENT

2018
AT A GLANCE

MEIRA 10TH ANNIVERSARY CELEBRATION, INCLUDING OUR BIGGEST ANNUAL DUBAI CONFERENCE

NEW WEBSITE FOR MEIRA AND CONFERENCE, INCLUDING EXCLUSIVE PORTAL FOR MEMBERS

2 CIRO TRAINING SESSIONS

29 DELEGATES

24 CERTIFICATIONS

RIYADH, KSA

INAUGURAL INTRODUCTION TO INTERNATIONAL IR BEST PRACTICE

15 DELEGATES

20 EVENTS DURING THE YEAR

ACROSS **10** MARKETS

DUBAI CONFERENCE

225 DELEGATES

20 SPEAKERS

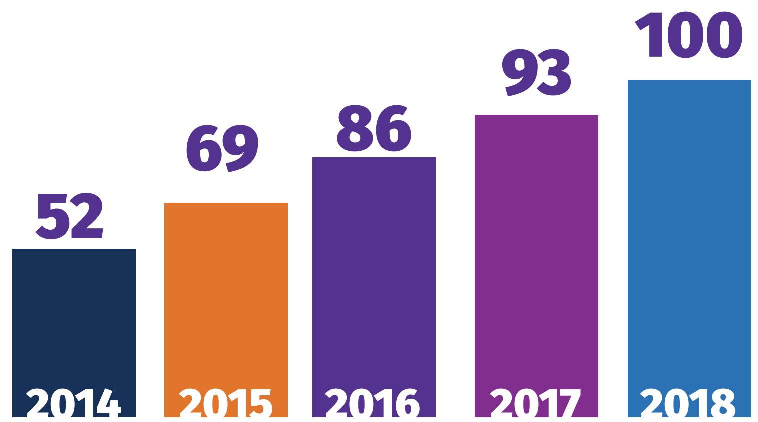
15 STOCK EXCHANGES & REGULATORS

21 REGIONAL CORPORATES AWARDED AT MEIRA AWARDS DINNER

MEMBERS

100 MEMBERS

+7 COMPARED TO 2017



MEMBERS' REGIONAL BREAKDOWN

FROM **10** COUNTRIES

UAE	42
KSA	19
KUWAIT	11
QATAR	8
PALESTINE	6
OMAN	5
LEBANON	4
JORDAN	3
BAHRAIN	1
EGYPT	1

KEY FINANCIAL INFORMATION

as at 31ST December 2018

in AED	2018 *
REVENUE	1,537,129
COSTS AND EXPENSES	1,536,421
NET INCOME	708
CASH BALANCE	255,570
RESERVES	575,969

*AUDITED FIGURES.

Andrew Tarbuck
Chairman

CHAIR'S LETTER TO MEMBERS AND PARTNERS

DEAR MEMBERS AND PARTNERS,

There is an essential truth in the old saying that it takes a village to raise a child. The logic that the collaborative efforts of a community are required to teach a person all the life skills and values they need comes to mind when considering the contribution of MEIRA members and its partners. Our success comes from working together across our regional Chapters to create awareness and understanding of the importance of Investor Relations (IR). In doing so, MEIRA plays a vital role to enhance regional capital market development.

It is only by drawing on the local expertise and contribution of our members and partners, with companies and IR practitioners working together in partnership with exchanges, regulators and the investment community, that our vision of connecting regional market participants makes sense. The aim of MEIRA, the only regional professional body for IR, is to promote and support IR best practice through education, training, certification and networking opportunities for IR peers throughout the region. Thankfully, a robust capital market ecosystem is developing in the Middle East and MEIRA is proud to be an integral part of this.

I can say with no doubt that 2018 has been one of the most successful years for MEIRA. Not only did we celebrate 10 years as an IR Association, importantly, we also saw increasing support around the region for professional investor communications. It will, I'm sure, prove to be a pivotal year for IR as we look to unlock the potential in the region. A key part of this is to promote best practice IR at a time when regional capital markets are opening up and pressing ahead with timely reforms. As a result, more of our regional markets are becoming an attractive destination for international investors to deploy capital. We expect this trend to continue, supported as it is by structural changes in the markets, not least the recent index inclusion of larger regional markets in international indices.

As regional stock exchanges continue to drive market development with initiatives aimed at promoting IR, we expect to see more investors showing an interest in the region. This can only be good for regional liquidity and ultimately, the growth of the markets. With growth comes greater responsibility and an integral part of successful market development is to address investors through professional IR. It is heartening to see the role that MEIRA has played in encouraging regional markets to raise the profile of the IR profession by increasingly making IR a dedicated role in listed companies. It is important to understand the responsibility of public companies operating in regulated public markets. A properly resourced IR function is part and parcel of this approach to market development and we expect to see greater demand for professional IR as the needs of investors grow, particularly with the advent of more international investors.

In the past 10 years, MEIRA has successfully added regional chapters to our growing membership and in 2019, MEIRA will add more chapters from our existing Working Groups, Bahrain, for example. MEIRA will continue to advocate international best practice in IR throughout the region. We will also add new partnerships with other regional stock exchanges and international organizations. In 2018, we signed a MOU with the CFA Institute to focus on collaborative initiatives from which we can leverage the overlap in our target audience of companies and the investment community.

Having completed a great first 10 years as the only professional body for IR in the region, we look forward to the next 10 years with tremendous enthusiasm and optimism. We can see that the region is undergoing significant change and market development. MEIRA is excited to be an integral part of this and we will continue to support all our regional markets. Key drivers for future success include the continued development and execution of non-oil diversification strategies in regional economies. At the same time, it will be important to see more cooperation between the private and public sectors to promote capital markets, including taking account of the needs of international investors.

For MEIRA, this represents a great opportunity for IR. IR is increasingly recognised in all markets as a critical function in demonstrating the value of companies for long-term investors. Investors have choices and the watchwords of successful investment: governance; transparency, consistency and the accuracy and timeliness of investor communications, if not broadly, stakeholder communications, become more apparent and meaningful. It is to our peril if we choose to ignore this.

In 2018, MEIRA also embraced significant changes with John Gollifer replacing Clemence Piot as our General Manager, effective as of January 2019. We are thrilled to have someone as experienced, wise and energetic as John but his seamless assumption of the role could only have been made possible by Clemence leaving MEIRA in a much better place, for which we sincerely thank her.

We look forward to hearing from you, working with you and making a difference to the regional markets of the Middle East. Thank you to our Members, Partners, executive team and Board of Directors for making it all happen, onwards and upwards, team MEIRA in this age of engagement!

ANDREW TARBUCK
Chairman

COMPANY INFORMATION

FOR THE YEAR ENDED 31ST DECEMBER 2018

Registered name	Middle East Investor Relations Association
Incorporation details	Incorporated as an Association in the Dubai Association Centre ("DAC") on 25th August 2016
License number	**DAC-0029**
Mailing Address and Registered Office	Office 18, Level 7, Sheikh Rashid Tower, DWTC Dubai – UAE PO Box 9576 T: +971 4 3097034
Directors of the Board	> **Mohammad Abdal** – *Board Member* > **Redwan Ahmed** – *Treasurer* > **Omar Darwazah** – *Board Member* > **Sofia El Boury** – *Vice-Chair* > **Paul Louis Gay** – *Board Member* > **Peter Gotke** – *Board Member* > **Mahmoud Salem** – *Board Member* > **Noor Sweid** – *Board Member* > **Andrew Tarbuck** – *Chair* > **Chris Wilson** – *Board Member*
General Manager, Company Secretary	> **Clemence Piot***
Auditors	ABK Saqer Auditing Bigy Scariah (Partner) PO Box 19524, Dubai, UAE T: +971 4 2511 585

*** Clemence Piot resigned from her post as General Manager on 6 December 2018 and John Gollifer officially joined MEIRA as the new General Manager and Board Secretary on 20 January 2019.**

BUSINESS DESCRIPTION

ABOUT THE MIDDLE EAST INVESTOR RELATIONS ASSOCIATION

The Middle East Investor Relations Association (MEIRA or 'the Association') is an independent, non-profit organisation dedicated to promoting the Investor Relations (IR) profession and international standards in corporate governance. The mission of MEIRA is to enhance the reputation, efficiency and attractiveness of the Middle East capital markets.

This is delivered by fostering increased dialogue among members and encouraging the IR community to share international best practice in IR. Working closely with the regional stock exchanges, regulators and other market participants, MEIRA supports companies through its professional development and certification programmes as well as through its membership community and network of country-specific Chapters.

MISSION, VISION & VALUES

Mission

To promote best practice IR in the Middle East through training, education, certification and professional networking and, together with local exchanges and regulators, seek to improve the efficiency of capital markets through sound IR practices and enhancement of market infrastructure.

Vision

To connect Middle East market participants in the field of IR and improve standards of corporate governance, transparency and access, thus attracting global investment to the region.

Values

- Transparency
- Accuracy
- Integrity
- Collaboration
- Influence

CORPORATE GOVERNANCE REPORT

MEIRA CORPORATE GOVERNANCE PRINCIPLES

MEIRA's main objective is to promote the IR function across the Middle East. We contribute to the overall improvement of the regional capital markets by working closely with our members, regulators and exchanges through our country Chapters.

Board of Directors (the Board)

The Board is collectively responsible for setting, prioritising and monitoring delivery of strategic and operational objectives, in the context of resources and controls.

The Board meets a minimum of four times a year (generally in March, July, September and December) for approximately one hour. This is usually a face to face meeting but some members in different locations participate in Board meetings by telephone. The current Board consists of 12 members (10 Board Members as at 31 December 2018) including the Chair and Vice-Chair. MEIRA Board Members serve on a voluntary basis and the Company Secretary role held by the General Manager (GM) is a remunerated employee.

The role of each Director is to contribute a diverse range of perspectives, insights and experience on any and all aspects of the Association's activity, holding the Association and its executives to account on behalf of its members and other stakeholders.

Each Board Member is expected to contribute to the Association's activities by sharing their perspectives, insights and experience and ultimately, promoting MEIRA and executing the strategy during the year. They are also expected to inform the Board in a timely manner of any potential conflict of interest, reputational risks or any other challenge that might impact the Association's activities.

MEIRA Board Members serve according to the needs of MEIRA. In the event of a vacancy, resignation or non-performance, new Board members will be nominated and voted in by the existing Board members.

Board Roles and Committees

Audit and Remuneration Committee

Having established the Finance Committee in February 2018, the recently renamed Audit and Remuneration Committee is responsible for monitoring MEIRA's activities and ensuring the integrity and effectiveness of its financial reports. This is in addition to ensuring the overall effectiveness of MEIRA's systems, internal controls, internal audit and also reviewing salaries and remuneration structures in line with market compensation scales.

Furthermore, the Committee is responsible for overseeing MEIRA's compliance with relevant laws, policies and regulations, and also to liaise with supervisory authorities on proposed related party transactions. The Committee also provides recommendations to the Board in developing a strategy and comprehensive policies for risk management whilst maintaining reasonable risk acceptance levels.

MEIRA's Treasurer is a part of the Audit and Remuneration Committee, and together with MEIRA's GM, is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS).

Members of the Committee, including the Treasurer, must be appointed by the Board, on the recommendation of the Nomination Committee. The Members of the Committee report to the Board and they shall meet at least twice a year and otherwise as required.

Nomination Committee

The Nomination Committee was designed to support the Board in reviewing the structure, size and composition of the Board, proposing the appointment of members to the Board, Board committees, MEIRA senior executives and the appointment of members to MEIRA Country Chapter Boards in addition to reviewing MEIRA's succession plan to ensure its adequacy and fitness for purpose. The Nomination Committee is also responsible for assessing any possible conflict of interest that might occur within the MEIRA Board or any of its Committees and Chapter Boards. The Committee Chair and members are appointed by the Board on an indefinite basis.

Executive Committee

The Executive Committee is responsible for overseeing the activities of the GM and the executive team and authorising actions relating to day-to-day operations of the Association.

Extended Board

The extended Board was an honorary designation for Board Members who had moved on to new roles but had chosen to remain aligned with the Association's interests. The Extented Board was officially extinguished in December 2018.

Board Members

Existing Board members

The Board members, listed below, have held office over the period 1st January 2018 to 31st December 2018.
Board members:

- **Mohammad Abdal –** *Board member.*
- **Redwan Ahmed –** *Board member, Treasurer and member of the Executive Committee.*
- **Omar Darwazah –** *Board member.*
- **Sofia El Boury** – *Vice-Chair and member of the Executive Committee.*
  (Sofia was appointed Vice-Chair on 8 May 2018 by decision of the Board).
- **Paul Gay –** *Board member.*
- **Peter Gotke –** *Board member and Chair of the Nomination Committee.*
- **Mahmoud Salem –** *Board member.*
- **Andrew Tarbuck** – *Chair of the Board and member of the Executive Committee.*
  (Andrew was appointed Chair of the Board on 18 March 2018 by decision of the Board).
- **Chris Wilson –** *Board member, Chair of the Audit and Remuneration Committee and member of the Executive Committee.*

Change in Board members in 2018 and 2019

Changes in Board members holding office in 2018 are as follows:

Appointments:

- **Noor Sweid –** *Board member – **appointed on 26 September 2018 by decision of the Board.***

Resignations:

- **Ryan Lemand –** *Board member **- resigned on 28 February 2018.***
- **Alex McDonald-Vitale** – *former Chair – **resigned on 6 March 2018.***

Changes in Board members holding office in 2019 are as follows:

Appointments:

- **Rayan Al Karawi** – *Board member – **appointed on 13 March 2019 by decision of the Board.***
- **Huda Al Lawati –** Board member – ***appointed on 13 March 2019 by decision of the Board.***

Attendance of Board members at Board meetings

The table below gives details of each Director's attendance at meetings of the Board in 2018.

Name	Title	3-March-18	8-May-18	26-Sep-18	6-Dec-18
Clemence Piot	General Manager and Board Secretary	•	•	•	•
Mohammad Abdal	Board member	•		•	•
Redwan Ahmed	Treasurer	•	•	•	•
Omar Darwazah	Board member	•	•		•
Sofia El Boury	Board member	•	•	•	•
Paul Gay	Board member		•	•	•
Peter Gotke	Board member	•	•	•	•
Ryan Lemand	Board member				
Alex McDonald-Vitale	Former Chair				
Mahmoud Salem	Board member	•	•	•	•
Noor Sweid	Board member			•	•
Andrew Tarbuck	Chair	•	•	•	•
Chris Wilson	Board member	•	•	•	•

Employees

General Manager

Clemence Piot held office as General Manager (GM) throughout the period 1st January 2018 to 6th December 2018, with the latter being her last day at the office since she presented her official resignation to the Board on 29th October 2018.
After conducting a formal recruitment process, John Gollifer joined the Association as the new GM on 20th of January 2019. John brings over 30 years' experience of international banking, stock exchange and association management, as well as IR, to his new role at MEIRA.

The GM reports to the Board on all and any activities relating to the Association and its interests. The GM is responsible for the implementation of MEIRA's commitments and objectives, and for ensuring that appropriate controls and contingencies are maintained throughout. The GM must ensure timely briefing and execution of Committee deliverables, maintaining transparent communication and collaboration among the functions of the Executive Committee, other Committees and their members.

The GM is responsible for day-to-day management of the Association, ensuring delivery of the latest strategy agreed with the Directors and Chair, in a timely, effective and auditable manner. As part of these duties, the GM will oversee operations and exert adequate controls on the possible and actual effects of any given action (strategic, operational or otherwise) with respect to the Association's objectives, providing the Board with regular updates and feedback.

Responsible for supervising and maintaining appropriate controls over the Association's activities, the GM oversees any covenants, deeds or agreements it enters into, including with government entities, service providers, third parties and other stakeholder groups. In so doing, the GM, on behalf of the Association, is empowered to and ultimately responsible for reviewing, signing and delivering any documents, contracts or related covenants as might arise in the execution of its responsibilities and commitments.
The role of GM is remunerated as a full-time delegate and representative of the Association. The Board is responsible for hiring the GM.

Marketing, Communications and Events Manager

The Marketing, Communications and Events Manager position has been held by Alicia Gallego since January 2017.

The Manager plays a critical role in supporting the GM in organizing all activities of the Association. The Manager is in charge of organizing, promoting and marketing MEIRA events internally and externally in addition to advising the Board on media, outreach activities and communication efforts to further improve MEIRA's profile.

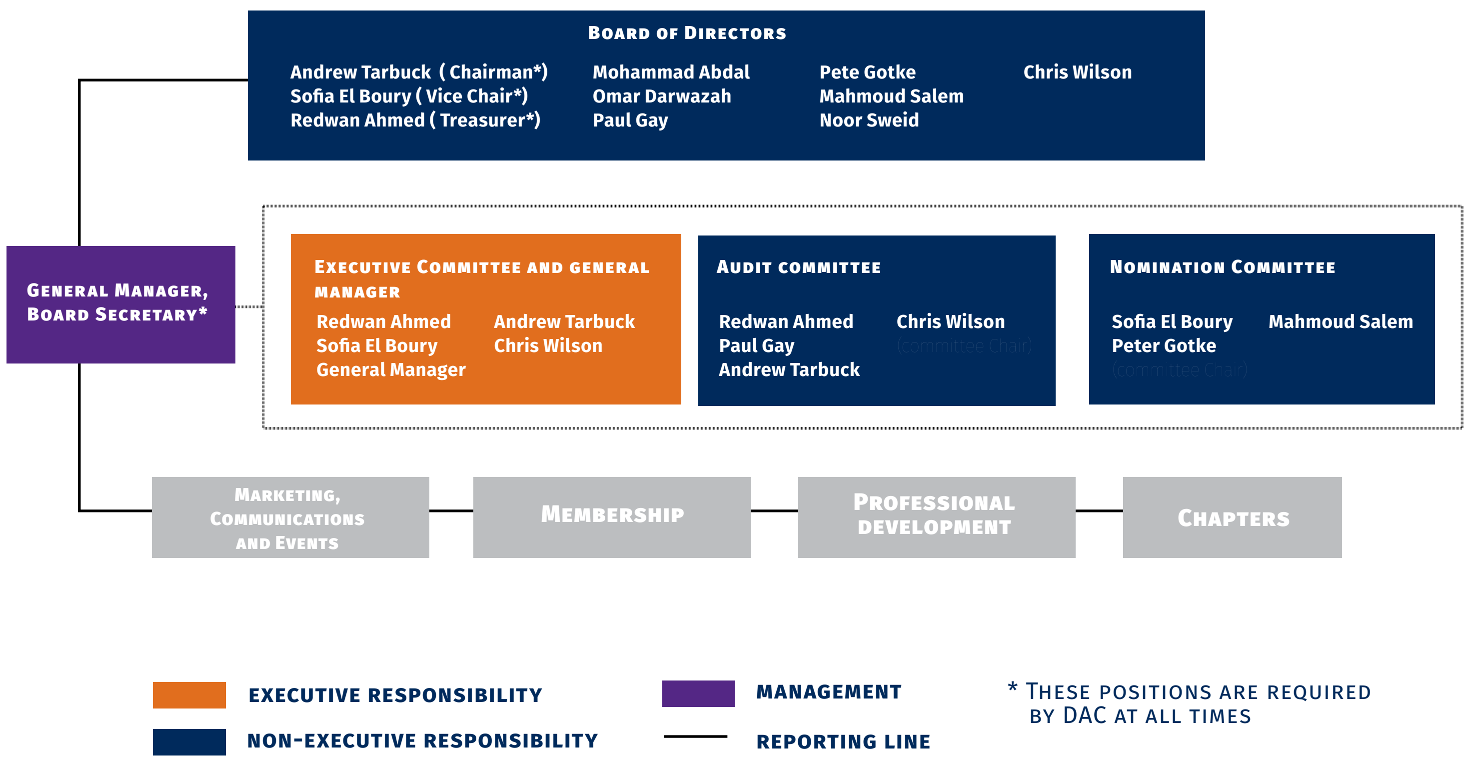
The Marketing, Communications and Events Manager is responsible for all internal and external communication initiatives such as the weekly newsletters, press releases and media requests. The Marketing, Communications and Events Manager is a full-time position and reports to the GM.

Executive Assistant

In July 2018, MEIRA hired Deborah Vaz to fill the Executive Assistant position.

The Executive Assistant supports the GM and the Marketing, Communications and Events Manager on the day-to-day tasks of the Association, especially those that involve administrative and internal organizational requirements.
This role is currently a part-time position and reports to the GM.

ORGANISATIONAL STRUCTURE



BUSINESS REPORT

OVERVIEW OF 2018 AND MAJOR DEVELOPMENTS

The year 2018 marked a significant milestone for MEIRA as it completed 10 years of successful operations in the Middle East. Since inception in 2008, the Association has gone from strength to strength and grown its membership to over 100 corporate members. During this period, MEIRA has played a significant role in facilitating the transformation of the IR function by fostering a deeper understanding and awareness of the IR profession across the region.

MEIRA also pressed ahead with various impactful initiatives in 2018, which further reinforced its positioning as a leader in promoting IR best practices in the region. The 2018 MEIRA Annual Conference capped off a busy year by hosting an anniversary gathering attended by the Association's members, partners and other industry stakeholders.

The year also saw significant market milestones being reached, which once again underlined the crucial importance of IR within the development of the regional capital markets. Regulators from Saudi Arabia and Oman announced plans to make the appointment of qualified investor relations officers mandatory for all listed-companies. Currently, the UAE and Qatar remain the only Middle Eastern markets to have official regulations concerning the IR function.

The Muscat Securities Market, supported by MEIRA, announced the impending implementation of a mandatory IR function in the Sultanate in September 2018. Furthermore, in October 2018, the Saudi Capital Markets Authority declared its intention to assess the development of the IR function in the Kingdom and the possibility of regulating it in the near future. Through the MEIRA Saudi Chapter and its local Board, MEIRA has been particularly active in the Kingdom during 2018, reflecting the strategic importance of the Saudi market for the Association.

Setting a new course for MEIRA's direction, Andrew Tarbuck, the Association's new Chair, together with the Board of Directors, developed the MEIRA strategy for 2018 and 2019. The strategy sets out the ambition to further strengthen the membership offering whilst enabling the members to support MEIRA's efforts in promoting best practice IR in their respective markets. It also highlights the importance of actively engaging and collaborating with the regional stock exchanges, regulators and government entities in a bid to develop healthier and efficient capital markets.

MEIRA ended 2018 in a solid position, underpinned by satisfactory results across key areas of activity. The Association remains in good shape from a financial perspective.

MEIRA STRATEGY

MEIRA's objective is to enhance the Middle East Capital markets by fostering a deeper understanding of IR whilst promoting international-standard IR practices in the region.

Key strategy highlights:

- Encourage IR from the bottom-up: Strengthening membership to encourage engagement and involvement, particularly of corporates
- Encourage IR from the top-down: Systematic engagement with stock exchanges, regulators and government bodies throughout the Middle East
- Advocate for change on behalf of our members, be a voice for change
- Focus on operational capabilities and support for regional Chapters: Ensure provision of value-add services to members.
- Improve the MEIRA community experience (Chapters, Annual Conference, seminars, events, promote diversity)
- Focus on learning and training: Augment impact by partnering with key regulatory bodies
- Encourage membership of non-listed companies - private companies, PE funds, and potential issuers

Based on this strategic roadmap, the MEIRA executive team with Andrew Tarbuck, Chair, and Sofia El Boury, Vice-Chair, attended a workshop organized by Hill+Knowlton Strategies, the Association's official PR advisor, in order to develop the official tone of voice and messaging of MEIRA. This successful seminar, which took place during the summer of 2018, has allowed MEIRA and its official spokespeople to maintain a consistent message adapted to each platform and audience.

IT AND DIGITAL PLATFORMS

The new MEIRA corporate website was launched in December 2018 in order to revamp our digital presence. MEIRA also redesigned the micro-site for the 2018 Annual Conference. The new websites are testament to MEIRA's commitment to adopting latest technology to offer an enriched experience to its members.

In keeping with this commitment, MEIRA also integrated a membership platform called 'Eventbank' which provides members access to a wide variety of digital resources, including an online members directory, in addition to enabling the online management of membership details. As part of the digital transformation, IT equipment was also replaced in February 2018, which provided the basis for increased workplace efficiency of MEIRA's employees.

CHAPTER DEVELOPMENT AND AGREEMENTS

As of December 2018, MEIRA has seven Chapters (Abu Dhabi, Dubai, Saudi Arabia, Kuwait, Oman, Qatar, and Palestine) and two working groups (Jordan and Lebanon). In 2018, the Saudi Chapter witnessed a spike in membership and currently has a total of 19 corporate members.
In November 2018, MEIRA signed an MOU with Bahrain Bourse and launched the Bahrain Chapter, supported by the Bourse in 2019. The potential official launch of country Chapters in Jordan and Lebanon was the subject of advanced discussions in 2018. The past year also saw MEIRA entering into a partnership with the Chartered Financial Analyst (CFA) Institute in the UAE. The MOU sets out a framework for collaboration between both entities to develop a network of knowledge sharing and best practice initiatives, which ultimately improves the levels of transparency and corporate governance standards among companies in the Middle East.

COMMUNICATION

The MEIRA Newsletter has emerged as an important publication for the IR community in the Middle East. Since June 2018, the MEIRA Newsletter has been distributed on a weekly basis to more than 3,000 subscribers. Launched in 2017 as a monthly periodical, the Newsletter has received encouraging feedback and the Association continues to enhance the publication.

The year 2018 also marked the implementation of the second edition of the MEIRA IR Practitioners Survey in collaboration with Hanson Search. The survey gauges key career-related aspects of the IR role, including compensation, team structure, reporting line and KPIs. The results and the survey report were presented and distributed at the MEIRA Annual Conference and Awards.

Looking ahead to 2019, MEIRA aims at increasing the number of publications to further enhance its digital library as it is firmly committed to encourage exchange of knowledge among the members.

TRAINING

2018 has been another successful year for MEIRA with regard to training, with a total of 29 delegates attending the CIRO course which was delivered twice in the UAE. As part of the training offer, MEIRA has also launched a new version of the IR training course which offers candidates an introductory understanding of financial markets, IR and the financial environment in which IR professionals work. The 'Introduction to IR' training is equivalent to the day one module of MEIRA's CIRO programme and makes participants eligible to join day two and three of the CIRO course.

In May 2018, MEIRA also organised an exclusive training programme with the support of the MEIRA Saudi Chapter and the Institute of Finance. Attended by over 15 delegates from Saudi Arabia, the training course was delivered by John Gollifer, then General Manager at the UK IR Society. The training programme covered regional case studies and presentations from MEIRA members and Board Members, including Andrew Tarbuck, MEIRA Chair.

MEIRA has witnessed an increased demand for introductory courses from other markets and is planning to conduct more sessions in 2019.

FINANCIAL PERFORMANCE

In 2018, MEIRA continued to offer all its core services to members and partners, including: membership subscription and benefits; partnership and sponsorship opportunities; IR training, including the Certified IR Officer (CIRO certification); publications; and an active events calendar that included the annual conference and awards dinner, as well as Chapter events.

Generally, we performed well, in a difficult operating environment in which the executive team admirably managed change throughout the year. This included the addition of a new team member in the middle of the year and the resignation of the longstanding GM at year-end. Notwithstanding our continued investment in IT and digital platforms, 2018 ended with lower turnover, mainly due to less in sponsorship revenues. The financial result of a modest net surplus of AED708 in 2018 also reflected some one-off staff costs coupled with some bad debt write-offs.

In 2019, the Board has introduced a new bad debt policy that includes setting aside additional total provisions against ongoing collection of receipts. In addition, the Board plans to introduce some broad key performance indicators against which the executive team can gauge its progress and performance, including: membership; events; IR training courses; and importantly, financials, notably our cash position and reserves.

EVENTS REPORT

MEIRA hosts a series of events for its members throughout the year. These range from the Annual IR Conference, networking events and local Chapter meetings to co-hosted seminars and webcasts in partnership with third-parties.
During 2018, MEIRA organised a total of 20 events across the region including its Annual Conference, Awards Dinner and 10th year anniversary celebrations.

In October 2018, Sofia El Boury, MEIRA Vice-Chair, participated in the IR Magazine Global Forum in Amsterdam as a panelist and shared the key findings from the MEIRA IR Practitioners Surveys, while also offering her views on the state of the IR profession in the Middle East.

1. MEIRA Dubai Chapter meeting with Valerie Haertel, Head of Investor Relations at BNY Mellon. April, Dubai, UAE
2. Introduction to IR training course in collaboration with the Institute of Finance. April, Riyadh, Saudi Arabia
3. CIRO training course. April, Abu Dhabi, UAE

4


5


6


7


8


9


4. IR awareness seminar 'The buy-side view' in collaboration with Boursa Kuwait. May, Kuwait City, Kuwait
5. IR seminar in collaboration with Muscat Securities Market. May, Muscat, Oman
6. MEIRA Saudi Chapter annual iftar. June, Riyadh, Saudi Arabia
7. Introduction to IR awareness session with Beirut Stock Exchange. July, Beirut, Lebanon
8. MEIRA Oman Chapter meeting. August, Muscat, Oman
9. MEIRA Annual Conference and Awards, Anniversary edition. September, Dubai, UAE

10


11


12


13


14


15


10. Sofia El Boury, MEIRA Vice-Chair, participated in the IR Magazine Global Forum. October, Amsterdam, Netherlands.
11. MEIRA IR Breakfast in collaboration with Bloomberg. October, Dubai, UAE
12. MEIRA and Bahrain Bourse MOU signing ceremony. November, Manama, Bahrain
13. MEIRA and CFA Institute MOU signing ceremony. November, Dubai, UAE
14. MEIRA webinar with the Palestine Chapter. December, Ramallah, Palestine
15. MEIRA IR Workshop in collaboration with Tadawul. December, Riyadh, Saudi Arabia

2018 MEIRA ANNUAL CONFERENCE AND AWARDS – 10TH ANNIVERSARY EDITION

In September 2018, the anniversary year culminated in the 10th edition of the MEIRA Annual Conference and Awards Dinner. Established in 2008, the event has evolved into the region's largest and leading platform for IR professionals to gather with peers, network and debate crucial topics that drive the development of the regional capital markets.

An invitation-only reception for MEIRA's members, partners and selected industry professionals on 25th September was the starting point of the anniversary celebration. This was followed by the 10th Annual Conference on 26th September hosted at Dubai's Bulgari Resort.

High-profile speakers and panelists joined more than 200 delegates to network and discuss the latest industry developments. The opening panel titled 'Ten years of change – what's next?' brought together CFOs from Mobily, Aldar Properties and Almarai who highlighted the importance of a solid IR programme to support the overall business strategy.

This was followed by the 'MEIRA Talk' series, which comprised a total of five sessions over the course of the day. The first talk provided a macro overview of the operating landscape for listed companies in the region. Speaker Daniel Marc Richards, MENA Economist at Emirates NBD, outlined how the macroeconomic conditions appear more promising for Middle East markets after a relatively slow start to 2018. The second talk, presented by Chris Wilson, Head of IR at Aldar Properties and MEIRA Board Member, addressed challenges facing IR Officers in this part of the world. In another session, Mohamad Al Hajj, Vice President and Head of MENA Strategy at EFG Hermes, elaborated on the rise of passive investing, a trend which is significantly impacting stock markets in the Middle East. Noor Sweid, General Partner at Global Investor (and MEIRA Board Member), unveiled practical tips on how to effectively pitch your company's equity story to the buy-side during her session. The last MEIRA Talk was conducted by Redwan Ahmed, Head of Investor Relations at DP World and MEIRA Board Member, who explained the impact on GCC credit of the potential inclusion in the JP Morgan sovereign index.

In the afternoon, MEIRA hosted an investor panel discussion on the opening of Saudi Arabia's capital market and the effects on the wider region. A stimulating session included participants from FAB Asset Management, Franklin Templeton Investments and Jupiter Asset Management.

The Conference ended on a high with a captivating discussion of female leadership in IR, moderated by Saleha Osmani from Société Générale and Chair Middle East of 100 Women in Finance. While there is much talk about a glass ceiling globally, the respective Heads of IR of Gulf Bank, Almarai, FAB and SODIC concluded that the IR profession in the region has been developing rapidly and is leading, first and foremost, by example in addressing any notion of the gender gap.

MEIRA is proud to have brought together some of the industry's leading minds to explore current IR trends, as well as the challenges and opportunities ahead at a particularly interesting time for the regional capital markets. We believe that the regional markets are on the cusp of something very significant and MEIRA is at the forefront, if not the bona fide thought leader in IR in the Middle East.

RISKS AND OPPORTUNITIES

BUSINESS RISKS AND UNCERTAINTIES

MEIRA, like any organisation, is subject to many external factors, particularly the ebb and flow of economic activity in regional markets. This can have a knock-on effect on membership and sponsorship levels. Moreover, MEIRA operates as a non-profit organisation with a small executive team and limited resources. In any small team, the loss of an individual member of staff can have a disproportionate effect on the organisation. MEIRA benefits from a core hard-working team who have provided valuable continuity. We aim to offer competitive remuneration and benefits to our employees, as well as career opportunities to grow with MEIRA. Similarly, we are dependent on the volunteer spirit of our members and partners, not least the Board members and Chapter leaders, and a change in any of these can again adversely affect our activities across MEIRA.

On the running costs of MEIRA, generally, we have predictable overheads. While we plan to move office in 2019 to new DAC premises, we expect the rent to be at a similar rate per square foot to 2018.

BUSINESS OPPORTUNITIES

We operate in growth markets in the Middle East. At the same time, given each market is at a different stage of development, MEIRA can play a role in promoting IR and can make a difference to its members. We aim to do this through the continued offering of MEIRA services to members and partners, including: membership subscription and benefits; partnership and sponsorship opportunities; IR training, including the Certified IR Officer (CIRO certification); publications; and an active events calendar that includes the annual conference and awards dinner, as well as Chapter events.

In this way, we will continue to raise the profile of MEIRA as the go-to source for all IR-related matters in the Middle East. We expect to work more closely with the exchanges and regulators as they consider introducing rules and possibly regulations on IR in their markets. Part of this initiative will include IR training and MEIRA is positioned to help in delivering this to the regional markets through our Chapters.

AUDITORS' REPORT

Middle East Investor Relations Association
Dubai - United Arab Emirates

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

Table of contents

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

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)

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)

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.

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.

Notes to the financial statements for the year ended December 31, 2018

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.

Notes to the financial statements for the year ended December 31, 2018

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.

Notes to the financial statements for the year ended December 31, 2018

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.

<u>Financial assets designated at fair value through OCI (debt instruments)</u>

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.

<u>Financial assets designated at fair value through OCI (equity instruments)</u>

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.

<u>Financial assets at fair value through profit or loss</u>

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.

Notes to the financial statements for the year ended December 31, 2018

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.

Notes to the financial statements for the year ended December 31, 2018

3 Significant accounting policies (continued)

3.9 Revenue recognition

<u>Revenue from contract with customers</u>

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.

Notes to the financial statements for the year ended December 31, 2018

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.

Notes to the financial statements for the year ended December 31, 2018

(In Arab Emirates Dirham)

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

Notes to the financial statements for the year ended December 31, 2018

(In Arab Emirates Dirham)

	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

Notes to the financial statements 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
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.

Notes to the financial statements for the year ended December 31, 2018
(In Arab Emirates Dirham)

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.

NOTES

Middle East Investor Relations Association
7th Floor, Sheikh Rashid Tower, DWTC,
Dubai, UAE. PO Box 9576
Email: info@meira.me
Phone: +971 (0)4 309 7034
Website: www.meira.me

middle east
investor relations
association