middle east
investor relations
association

ANNUAL REPORT & ACCOUNTS 2019

www.meira.me

ANNUAL REPORT & ACCOUNTS

OF THE YEAR ENDED 31 DECEMBER 2019

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

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2019
AT A GLANCE

-NEW-
MEIRA OFFICE AT STATE-OF-THE-ART ONE CENTRAL, A KEY LOCATION IN DUBAI

-NEW-
MEIRA WEBINAR FACILITY

-NEW-
MEIRA BAHRAIN CHAPTER LAUNCHED IN COLLABORATION WITH BAHRAIN BOURSE

-NEW-
1ST
CIRO TRAINING SESSION DELIVERED IN BAHRAIN

3 OTHER CIRO TRAINING SESSIONS

58 DELEGATES

38 CERTIFICATIONS

THE HIGHEST MEIRA NUMBER EVER

30 EVENTS DURING THE YEAR

IN THE MIDDLE EAST *INCLUDING WEBINARS*

BIGGEST MEIRA ANNUAL CONFERENCE TO DATE

ANNUAL CONFERENCE

300+ REGISTRATIONS

250 DELEGATES

25 INTERNATIONAL AND REGIONAL SPEAKERS

15 STOCK EXCHANGES AND REGULATORS

20+ REGIONAL CORPORATES

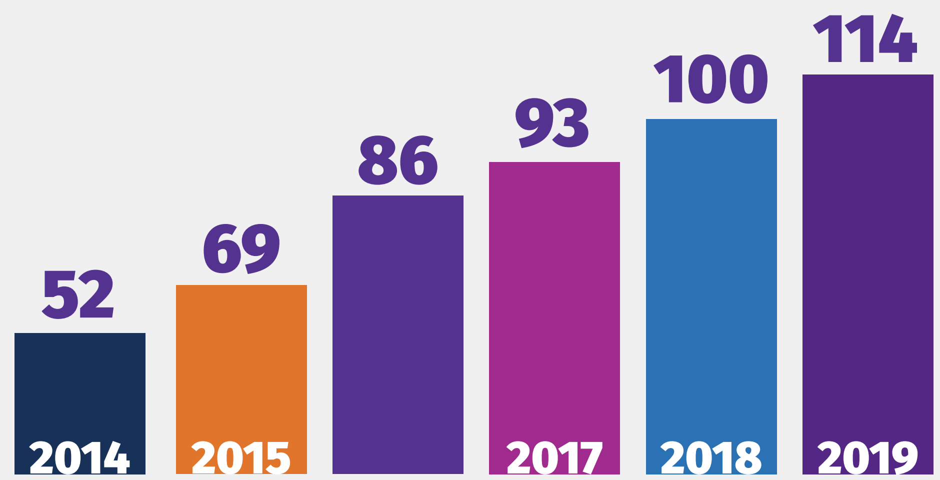
AWARDED AT MEIRA AWARDS DINNER

MEMBERS

114 MEMBERS

14+ COMPARED TO 2018

FROM **10** MARKETS



MEMBERS' REGIONAL BREAKDOWN

UAE	41
KSA	27
KUWAIT	13
QATAR	9
BAHRAIN	7
PALESTINE	5
OMAN	5
LEBANON	4
JORDAN	2
EGYPT	1

KEY FINANCIAL INFORMATION

as at 31ST December

in AED	2019 *	2018 *
REVENUE	1,620,952	1,537,129
COSTS AND EXPENSES	1,620,191	1,535,421
NET INCOME	761	708
CASH BALANCE	417,810	255,570
RESERVES	576,730	575,969

*AUDITED FIGURES

Andrew Tarbuck
Chairman

CHAIR'S LETTER TO MEMBERS AND PARTNERS

DEAR MEMBERS AND PARTNERS,

Greetings, as we embark on another exciting MEIRA year for us all. At the beginning of 2019, we talked about being bigger and better as your professional body for Investor Relations (IR) in the region. Well, I'm pleased to report that we're doing just that. You can see this in our decision to move to a new bespoke office in the heart of One Central, an important new office complex that will become an integral part of the 'Dubai Future District' dedicated to the new economy. Moreover, our results for 2019 demonstrate our commitment to deliver an increased level of activity through the MEIRA Chapters, along with more thought leadership, our own MEIRA training and even bigger flagship events. This was highlighted in particular by the great response we saw at the 2019 Annual Conference and Awards Dinner.

As always, our continued success comes from working together across our regional Chapters to create awareness and understanding of the importance of IR. In doing so, MEIRA, as an independent non-profit organisation, 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. MEIRA is proud to be an integral part of the robust capital markets ecosystem that is developing in the Middle East.

We will continue to build on the solid base that MEIRA has developed over the past decade in the region. Membership remains the most important driver of our activities and it is encouraging to

see the number of corporate members cross the 100 mark for the first time. This is a key measure as we seek to create a critical mass of members, partners and other supporters in the region. We expect to see growing support for professional investor communications, particularly as we begin to consider some of the bigger trends we are now seeing in IR. These include diversity and inclusion, as well as recognition of non-financial factors that affect our broader stakeholders. Ultimately, the importance of Environmental, Social and Governance (ESG) factors as part of our regular IR will become commonplace and we need to prepare for this as our regional markets continue to develop.

2020 initially started well for MEIRA. However, as we now know, it is becoming clear that the impact of the coronavirus COVID-19 will, sadly, leave its mark on society, regional economies and possibly, MEIRA itself. We will, in any event, continue with our plans as best we can and aim to work towards the MEIRA 2020 annual conference in September and celebrate the theme of "Driving stakeholder value". It will, I'm sure, prove to be another pivotal year for IR as we look to unlock the undoubted 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 attractive destinations for international investors to deploy capital. We expect this to continue, supported as it is by structural changes in the markets, not least the recent inclusion of larger regional markets in international indices. This trend has been highlighted by the IPO of Saudi Aramco, the world's most valuable company, a milestone we all celebrated in the region.

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.

Indeed, our 2019 Middle East IR Practitioners Survey highlighted the value that companies' management and boards place in IR. We expect this sentiment to grow and MEIRA will add more Chapters from our existing Working Groups across the region to support this. Bahrain, for example, became our latest Chapter addition in 2019. Through our Chapters, 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 organisations. In 2019, we signed a Memorandum of Understanding (MOU) with the Securities and Commodities Authority in the UAE to promote IR, including offering joint training initiatives.

We expect to see the executive team continue to flourish under John Gollifer, the MEIRA General Manager. We also see an opportunity to recalibrate our approach to running MEIRA, including possibly resetting some of the key drivers behind growing membership, training and our biggest events. In this, we look forward to your support as we work together to make a difference to the regional markets of the Middle East. Thank you to all our members, partners, executive team and Board of Directors for making it all happen. Onwards and upwards, team MEIRA as we continue to drive value for all our stakeholders.

ANDREW TARBUCK
Chair

COMPANY INFORMATION

FOR THE YEAR ENDED 31ST DECEMBER 2019

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 & Registered Office	Office 10, Level 2, The Offices Building 2, One Central, Sheikh Zayed Road, Dubai, UAE PO Box 9576 T: +971 (0)4 516 3042
Directors of the Board	> **Mohammad Abdal** – *Member* > **Redwan Ahmed** – *Treasurer* > **Rayan Al Karawi** – *Member* > **Huda Al Lawati** – *Member* > **Omar Darwazah** – *Member* > **Sofia El Boury** – *Vice-Chair* > **Paul Louis Gay** – *Member* > **Peter Gotke** – *Member* > **Mahmoud Salem** – *Member* > **Noor Sweid** – *Member* > **Andrew Tarbuck** – *Chair* > **Chris Wilson** – *Member*
General Manager, Company Secretary	John Gollifer
Auditors	ABK Saqer Auditing Bigy Scariah (Partner) PO Box 19524, Dubai, UAE T: +971 4 2511 585

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, 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 activities, holding the Association and its 'executives' to account on behalf of its members and other stakeholders. Ultimately, each Board Member is expected to promote MEIRA and the execution of 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

The 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 and internal audit, as well as reviewing salaries and remuneration structures in line with market compensation scales. In 2019, the committee introduced a new Bad Debt Policy and a new Remuneration Policy for the executive team. The Remuneration Policy supports the growth goals of MEIRA and is based on the KPIs of the executive team, including financial and activity-based measures.

Furthermore, the committee is responsible for overseeing MEIRA's compliance with relevant laws, policies and regulations, and liaising 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 member 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. The committee meets at least twice a year and beyond that as required.

Nomination Committee

The Nomination Committee supports 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. The Nomination Committee is also responsible for reviewing the performance of members of the Board and MEIRA's succession plan to ensure its adequacy and fitness for purpose, and 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. In 2019-20, the committee undertook a review of the longest standing members of the Board.

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.

Board Members

Existing Board members

The Board members, listed below, have held office over the period 1 January 2019 to 31 December 2019, save for the newly appointed members (noted below) who joined the Board on 13 March 2019.

> **Mohammad Abdal –** *Member*
> **Redwan Ahmed –** *Member, Treasurer and member of the Executive Committee*
> **Rayan Al Karawi –** *Member (Rayan was appointed a Board Member by decision of the Board on 13 March 2019)*
> **Huda Al Lawati –** *Member (Huda was appointed a Board Member by decision of the Board on 13 March 2019)*
> **Omar Darwazah** – *Member*
> **Sofia El Boury** – *Vice-Chair and member of the Executive Committee*
> **Paul Gay –** *Member*
> **Peter Gotke –** *Member and Chair of the Nomination Committee*
> **Mahmoud Salem –** *Member*
> **Noor Sweid** – *Member*
> **Andrew Tarbuck** – *Chair of the Board and member of the Executive Committee*
> **Chris Wilson –** *Member, Chair of the Audit and Remuneration Committee and member of the Executive Committee*

Change in Board members in 2019

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 2019.

Name	Title	13-March-19	10-July-19	25-Sep-19	10-Dec-19
Mohammad Abdal	Board member		•	•	•
Redwan Ahmed	Treasurer	•		•	•
Rayan Al Karawi	Board member		•	•	
Huda Al Lawati	Board member		•		
Omar Darwazah	Board member	•	•		•
Sofia El Boury	Vice-Chair	•	•	•	•
Paul Gay	Board member	•		•	•
Peter Gotke	Board member	•	•	•	•
Mahmoud Salem	Board member	•	•	•	•
Noor Sweid	Board member				
Andrew Tarbuck	Chair	•	•	•	•
Chris Wilson	Board member	•	•	•	

Employees

General Manager

John Gollifer joined the Association as the new GM on 20 January 2019. John brings over 30 years' experience of international banking, stock exchange and association management, as well as IR expertise, to his role at MEIRA.
The GM reports to the Board on all activities relating to the Association and its interests. The GM is responsible for the implementation of MEIRA's commitments and objectives, and for ensuring appropriate controls and contingencies are maintained.

The GM ensures timely briefing and execution of Committee deliverables, and maintains 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, as agreed with the Directors and Chair, in a timely, effective and auditable manner. As part of these duties, the GM oversees operations and exerts adequate controls on the possible and actual effects of any given action (strategic, operational or otherwise) with respect to the Association's objectives, and provides 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 the Association 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 the Association's 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 (MC&E) Manager position has been held by Alicia Gallego since January 2017.

The MC&E Manager plays a critical role in supporting the GM in organising all Association activities. The MC&E Manager oversees organising, 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 MC&E Manager is responsible for all internal and external communication initiatives such as weekly newsletters, press releases and media requests.

The MC&E Manager is a full-time position and reports to the GM.

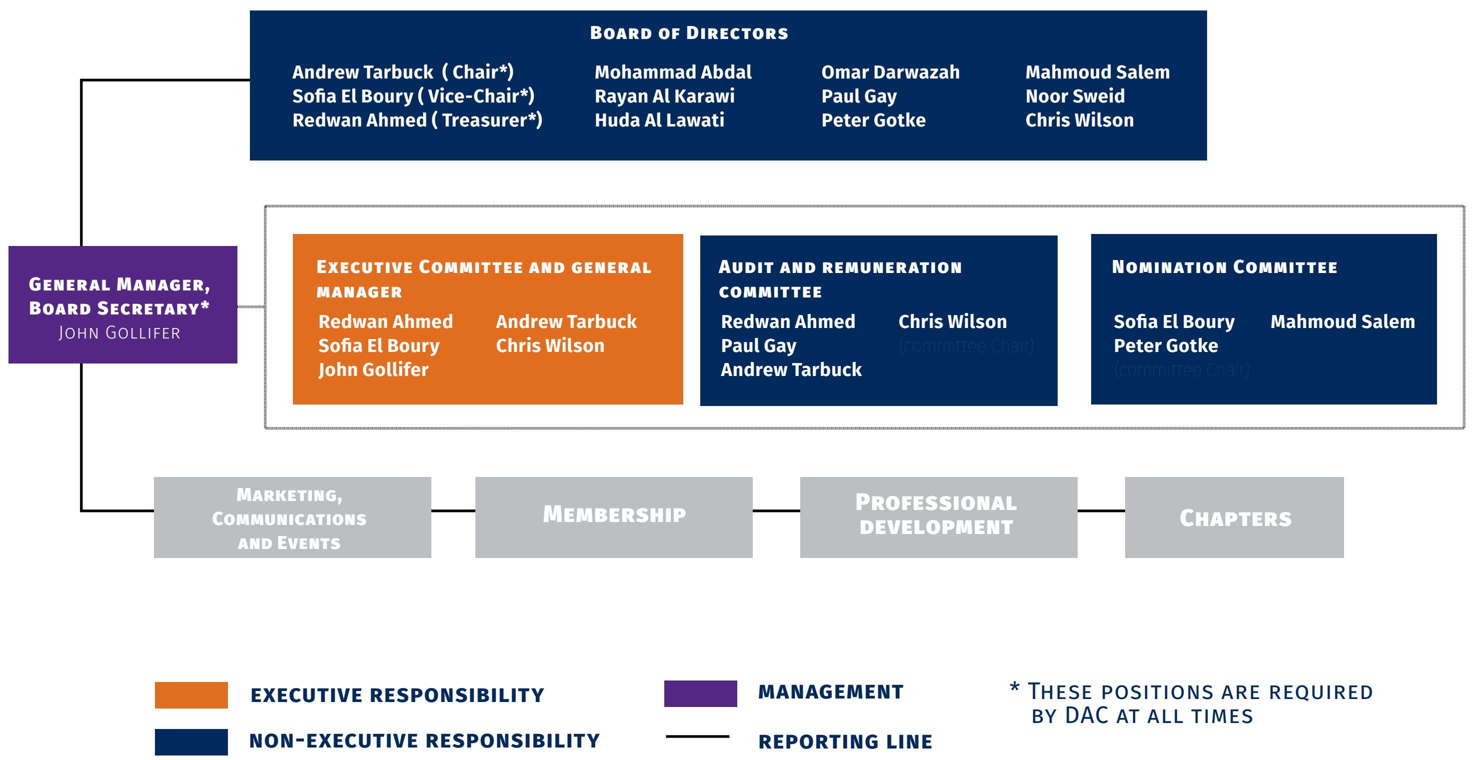
Executive Assistant

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

The Executive Assistant supports the GM and the MC&E Manager on the day-to-day tasks of the Association, especially those that involve administrative and internal organisational requirements.

This role is currently a part-time position and reports to the GM.

ORGANISATIONAL STRUCTURE



BUSINESS REPORT

OVERVIEW OF 2019 AND MAJOR DEVELOPMENTS

Generally, MEIRA performed well, especially as 2019 marked an important change as the Association transitioned to a new General Manager, with whom the executive team admirably managed change throughout the year.

During 2019, MEIRA continued to grow membership, training and event registrations, including a record attendance at the Annual Conference.

Also in 2019, MEIRA pressed ahead with various initiatives, which further reinforced its positioning as a leader in promoting IR best practices in the region. MEIRA added a new Chapter in Bahrain and increased the number of events in each Chapter in the region. The 2019 MEIRA Annual Conference, "IR Matters: The Age of Engagement", topped a busy year with over 300 registrations, including members, partners and other industry stakeholders from both within and outside the region.

The year also saw more significant market milestones, which once again underlined the crucial importance of IR as an integral part of the development of the MENA region's capital markets. The Oman Regulator and Muscat Securities Market published new IR guidelines that promote the role of IR in the local market. Currently, the UAE and Qatar remain the only Middle East markets to have official regulations governing the investor relations function.

MEIRA ended 2019 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
> Be a voice for change: Advocate for change on behalf of MEIRA members
> 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, private equity (PE) funds and potential issuers

MEIRA and its official spokespeople, with assistance from Hill+Knowlton Strategies, the Association's official PR advisor, continue to maintain a consistent message adapted to each platform and audience.

DIGITAL AND IT INITIATIVES

In July 2019, MEIRA acquired its own webinar facility, GoToWebinar, which enables the MEIRA team to organise more online seminars with greater autonomy and flexibility. This investment will benefit MEIRA members enormously as educational offerings are further developed over the coming months. This is a very cost-effective solution, allowing participants to join seminars online and to ask live questions to the panellists.

This tool will also benefit MEIRA's partners as they will be able to deliver more value-added content to the IR community by sharing their expertise across a wide range of topics.

CHAPTER DEVELOPMENT AND AGREEMENTS

The past year was a very important year for the Association as the new MEIRA Bahrain Chapter was launched in April 2019. The founding members included Aluminium Bahrain (ALBA) (represented by Eline Hilal), Bank ABC (represented by Brendon Hopkins), Bahrain Telecommunications Company (Batelco) (represented by Faisal Qamhiyah), Ithmaar Holding (represented by Sameh Mohamed Mahmandar), National Bank of Bahrain (represented by Russell Bennett), and SICO BSC (represented by Fadhel Makhlooq). Bahrain Bourse lead the Chapter, represented by MEIRA Bahrain Chapter Head, Marwa AlMaskati.

This new Chapter represented an opportunity for MEIRA to raise awareness about the IR profession in a new market where listed companies are looking to develop their IR capabilities. Following the establishment of the Chapter, MEIRA, in collaboration with the Bahrain Institute of Banking & Finance (BIBF), delivered the CIRO Programme for the first time in the Kingdom of Bahrain.

During 2019, MEIRA also continued growing the membership base in other markets, the MEIRA Saudi Chapter being the fastest growing from 19 members in 2018 to 27 corporate members in 2019. The Kuwait Chapter has also witnessed a spike in membership and currently has 13 active members.

As part of the 2020 strategy, MEIRA will focus on developing other Chapters such as the Oman Chapter to support the efforts of the Muscat Securities Market, particularly regarding any follow-up to the 2019 IR guidelines.

COMMUNICATION

MEIRA delivered some important communication and marketing projects in 2019. A new corporate video was released in February. It is the first time MEIRA has had an official video to present the Association and the key benefits of joining. The MEIRA corporate video has been essential to introducing the Association to potential members. It is now live on the MEIRA website and offers a sneak peak of what MEIRA offers to IR professionals in the region.

Over the last 12 months, MEIRA has also revamped its visual identity and has standardised all its marketing collateral. This project has been instrumental in ensuring that MEIRA branding is consistent across all its offerings and that the Association is visually recognisable by different audiences.

Last but not least, 2019 has also been the year when the annual MEIRA IR Practitioners' Survey was transformed into a more comprehensive publication which, in addition to the key highlights of the annual survey, also included case studies and interviews. The survey, completed in collaboration with Carter Murray for the first time, has been running for three consecutive years now. Moving forward, this report will be published every two years so that MEIRA is in a better position to have more relevant data to analyse.

As part of the 2020 plan, MEIRA aims to develop more content, which will be essential for its current members and to anyone new to the IR function. An IR Guide is currently being developed with the support of MEIRA partners and regional exchanges and regulators. As well, a new series of White Papers was launched in February 2020 to encourage dialogue among IR professionals and sharing of best practice.

TRAINING

2019 has been another successful year for IR training, with a total of 58 delegates attending the CIRO course and 29 delegates attaining exam passes. MEIRA delivered the CIRO twice in the UAE, once in Saudi Arabia, and once in Bahrain for the first time. MEIRA was delighted to partner with the Bahrain Bourse and the Bahrain Institute of Banking and Finance in this initiative.

As part of the training offering, MEIRA continued to promote the IR training course, the *Introduction to IR,* which offers candidates an introductory understanding of financial markets and IR. This course is equivalent to the day one module of MEIRA's CIRO programme and makes participants eligible to join days two and three of the CIRO course.

There is an increasing demand for introductory courses from all regional markets and MEIRA plans to conduct more sessions in 2020. Indeed, plans are afoot to collaborate more closely with the regional exchanges and regulators to promote IR to all listed companies.

FINANCIAL PERFORMANCE

MEIRA achieved higher revenue in 2019, up 5% on 2018, mainly due to growth in membership. The financial result of a modest net surplus of AED761 reflects some write-offs of historic bad debts in accordance with the new Bad Debt Policy, as well as the implementation of a new Remuneration Policy.
The latter policy is based on key performance indicators against which the executive team can gauge its progress and performance, including: membership; events; IR training courses; and importantly, financials, notably cash position and reserves.

EVENTS REPORT

One of the key activities for MEIRA is the series of events organised for its members throughout the year. During 2019, MEIRA organised and/or attended a total of 30 events across the region, including its Annual Conference and Awards Dinner which took place on 25 September in Dubai.

It is important to highlight that the number of events delivered by MEIRA has never been higher and the Association achieved another record with the highest attendance rate ever at the MEIRA Annual Conference and Awards Dinner. 2019 was a very busy and successful year for the Association and its executive team made a real impact delivering this number of events across all the MEIRA Chapters.

1. MEIRA IR Breakfast in collaboration with Bloomberg. March, Riyadh, Saudi Arabia
2. MEIRA Abu Dhabi Chapter IR Roundtable. April, Abu Dhabi, UAE
3. MEIRA IR Seminar in collaboration with Boursa Kuwait. April, Kuwait City, Kuwait

4. MEIRA Dubai Chapter Meeting in collaboration with Hill+Knowlton Strategies. April, Dubai, UAE
5. MEIRA Bahrain Chapter launch ceremony. April, Manama, Bahrain
6. MEIRA Saudi Chapter annual Iftar. May, Al Khobar, Saudi Arabia
7. MEIRA & BIBF MOU Signing Ceremony. June, Manama, Bahrain
8. MEIRA Kuwait Chapter Meeting. June, Kuwait City, Kuwait
9. SMEs roundtable organised by London Stock Exchange and The Egyptian Exchange. June, Cairo, Egypt

10. CIRO training course. June, Abu Dhabi, UAE
11. IR Awareness Seminar organised by Beirut Stock Exchange. July, Beirut, Lebanon
12. MEIRA Annual Conference & Awards Dinner, “IR Matters: The Age of Engagement”. September, Dubai, UAE
13. John Gollifer, MEIRA General Manager, participated at the IR Magazine Global Forum. October, Paris, France
14. CIRO training course. October, Dubai, UAE
15. The Securities and Commodities Authority & MEIRA at the MOU Signing Ceremony. November, Abu Dhabi, UAE

2019 MEIRA ANNUAL CONFERENCE AND AWARDS
IR MATTERS: THE AGE OF ENGAGEMENT

In September 2019, MEIRA organised its Annual Conference and Awards Dinner under the title “IR Matters: The Age of Engagement”. Established in 2008, the largest gathering of capital markets professionals and important representatives from the IR community in the Middle East, the 2019 Annual Conference featured an array of leading international and regional industry experts that convened to discuss and debate the driving forces that shape the IR function in the region.

Among the themes emanating from the conference, which was attended by more than 250 delegates, was the strategically important role that ESG (environmental, social and governance) reporting plays in engaging with international investors. There was broad consensus among participants that regional capital markets are set for a period of reform measures and rapid growth, driven particularly by the inclusion of regional markets in major international indices, resulting in inflows of billions of dollars in foreign investments.

However, experts conceded that growth will be sustainable only if concerns around transparency, governance, liquidity, and the need for constructive capital market engagement, are dealt with effectively. The speakers called on public-listed companies to establish a dedicated IR function, which is critical to facilitating meaningful engagement between an issuer and the investment community.

Delivering the opening address, MEIRA’s Chair Andrew Tarbuck highlighted the potential for the region to focus beyond passive investments to attract a steady flow of active investments. Andrew was followed by H.E. Dr Obaid Al Zaabi, Chief Executive Officer at the Securities and Commodities Authority (SCA), who delivered the keynote address, a stirring rallying call for all listed companies to take up the IR mantle.

Among other themes, the day-long conference also highlighted the importance of strategic communications to improve the quality of engagement, awareness and compliance. The conference day ended with the Awards Ceremony, a much-awaited highlight that attracted over 120 top-tier industry professionals, regulators and stock exchanges, as well as representatives of MEIRA’s member companies.

The event recognised the achievements of winners in three main categories: Best IR Teams, Best Annual Reports and Best IR Websites in the Middle East.

For the first time, the Best IR Website was selected by a panel of judges comprising MEIRA representatives in collaboration with experts in the field.

MEIRA is proud to bring together every year 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. MEIRA believes 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 hardworking team that has provided valuable continuity. MEIRA aims to offer competitive remuneration and benefits to its employees, as well as career opportunities to grow with MEIRA. Similarly, MEIRA is dependent on the volunteer spirit of its members and partners, not least the Board members and Chapter leaders, and a change in any of these can again adversely affect activities across MEIRA.

MEIRA's running costs are generally stable, with predictable overheads. While MEIRA moved office at the end of 2019 to new DAC premises, the rent is expected to remain at a similar level of cost per square foot.

With the advent of the coronavirus COVID-19 in early 2020, inevitably the operations of MEIRA will be affected. As at March 2020, MEIRA has postponed all face-to-face meetings, including Chapter events. At this point, it is not clear what the overall financial impact will be in 2020. However, we continue to closely monitor the situation, prioritise the health and safety of our team, members and partners, maintain our cashflow and seek to keep our activities going with virtual alternatives, including webinars. At the same time, we are keeping all communication channels open and encouraging our members to stay in touch, share their experiences and continue the good work of MEIRA and IR in the region in accordance with any guidelines issued by DAC and other local authorities.

BUSINESS OPPORTUNITIES

MEIRA operates 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. MEIRA aims 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 CIRO certification; publications; and an active events calendar that includes the Annual Conference and Awards Dinner, as well as Chapter events.

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

AUDITORS' REPORT

Middle East Investor Relations Association

Dubai - United Arab Emirates

Auditor's report and financial statements for the year ended December 31, 2019

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General information

Office address	:	Office TO2-FLR02-02.01-02.07-Office 10 The Offices 2 at One Central 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) Ms. Huda Al Lawati (Board Member) Mr. Rayan Al Karawi (Board Member)
The main bank	:	RAK Bank
Auditor	:	ABK Saqer Auditing P.O. Box 19524 Dubai - United Arab Emirates

Ref: ABK/AR/1068/20

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, 2019 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, 2019 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 08, 2020

Statement of financial position as at December 31, 2019

(In Arab Emirates Dirham)

	Notes	Dec 31, 2019	Dec 31, 2018
Assets			
Non-current assets			
Property, plant and equipment	5	**12,777**	12,380
Intangible assets	6	**32,119**	44,932
Total non-current assets		**44,896**	57,312
Current assets			
Accounts receivable	7	**152,107**	195,898
Advances, deposits and other receivables	8	**125,044**	103,472
Cash and bank balances	9	**417,810**	255,570
Total current assets		**694,961**	554,940
Total assets		**739,857**	612,252
Equity and liabilities			
Equity			
Members' funds	10	**576,730**	575,969
Total equity		**576,730**	575,969
Non-current liabilities			
Employees' end of service benefits	11	**39,787**	22,895
Total non-current liabilities		**39,787**	22,895
Current liabilities			
Other payables	12	**123,340**	13,388
Total current liabilities		**123,340**	13,388
Total liabilities		**163,127**	36,283
Total equity and liabilities		**739,857**	612,252

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 08, 2020 and signed on behalf of the Entity, by:

(Authorized signatory)

Statement of income and expenditure for the year ended December 31, 2019

(In Arab Emirates Dirham)

	Notes	For the year ended Dec 31, 2019	Dec 31, 2018
Income			
Partnership income		**322,363**	352,055
Training income		**488,955**	485,178
Membership income		**545,195**	439,560
Annual conference sponsorship income		**257,779**	253,676
Other Income	**13**	**6,660**	6,660
Total income		**1,620,952**	1,537,129
Expenses			
Training expenses		**(309,680)**	(313,855)
Annual conference expenses		**(181,113)**	(200,554)
Other event expenses		**(145,201)**	(79,450)
Administrative expenses	**14**	**(984,197)**	(942,562)
Total expenses		**(1,620,191)**	(1,536,421)
Excess of income over expenditure for the year		**761**	708

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 08, 2020 and signed on behalf of the Entity, by:

(Authorized signatory)

Statement of changes in equity for the year ended December 31, 2019

(In Arab Emirates Dirham)

	Accumulated surplus
Members' funds	
Balance as at January 01, 2018	575,261
Excess of income over expenditure for the year	708
Balance as at December 31, 2018	575,969
Excess of income over expenditure for the year	761
Balance as at December 31, 2019	**576,730**

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, 2019
(In Arab Emirates Dirham)

	For the year ended	
	Dec 31, 2019	Dec 31, 2018
Cash flows from operating activities		
Excess of income over expenditure for the year	**761**	708
Adjustments for:		
Depreciation on property, plant and equipment	**6,006**	5,829
Allowance for doubtful receivables	**26,973**	33,107
Amortisation of intangible assets	**12,813**	6,318
Provision for employees' end of service benefits	**16,892**	43,376
Cash inflow before working capital changes	**63,445**	89,338
Decrease/(increase) in current assets		
Accounts receivable	**16,818**	(15,310)
Advances, deposits and other receivables	**(21,572)**	(42,843)
Increase/(decrease) in current liabilities		
Other payables	**109,952**	(244,952)
Cash generated from/(used in) operations	**168,643**	(213,767)
Employees' end-of-services benefits paid	**-**	(76,837)
Net cash from/(used in) operations	**168,643**	(290,604)
Cash flows from investing activities		
Acquisition of intangible assets	**-**	(51,250)
Purchase of property, plant and equipment	**(6,403)**	(17,252)
Net cash (used in) investing activities	**(6,403)**	(68,502)
Net increase/(decrease) in cash and cash equivalents	**162,240**	(359,106)
Cash and cash equivalents, beginning of the year	**255,570**	614,676
Cash and cash equivalents, end of the year	**417,810**	255,570
Represented by:		
Cash in hand	**1,584**	2,626
Bank balance	**416,226**	252,944
	417,810	255,570

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, 2019

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 TO2-FLR02-02.01-02.07-Office 10, The Offices 2 at One Central, 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, 2019.

a) IFRS 16: Leases
b) Amendments to IFRS 9 - *Prepayment features with negative compensation*
c) Amendments to IAS 28 - *Long term interests in associated and joint ventures*
d) Annual Improvements to IFRSs 2015-2017 Cycle (Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23)
d) Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments to IFRS 4)
e) Amendments to IAS 19 - *Employee Benefit Plan amendment, curtailment or settlement*
f) IFRIC 23: Uncertainity over income tax treatments

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 17: Insurance Contracts - Effective for annual periods beginning on or after January 01, 2021.
b) IFRS 10 and IAS 28 (amendments) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Effective date not yet set.
c) Amendments to IFRS 3 Definition of a business - Effective for annual periods beginning on or after January 01, 2020.
d) Amendments to IAS 1 and IAS 8 Definition of material - Effective for annual periods beginning on or after January 01, 2020.
e) Amendments to References to the Conceptual Framework in IFRS Standards.

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.

Notes to the financial statements for the year ended December 31, 2019

3 Significant accounting policies (continued)

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.

3.5 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.

Notes to the financial statements for the year ended December 31, 2019

3 Significant accounting policies (continued)

3.5 Foreign currency (continued)

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

3.7 Intangible assets

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

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.

3.8 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.

Notes to the financial statements for the year ended December 31, 2019

3 Significant accounting policies (continued)

3.8 Financial instruments (continued)

a) Financial assets (continued)

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

Financial assets at amortised cost

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.

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.

Notes to the financial statements for the year ended December 31, 2019

3 Significant accounting policies (continued)

3.8 Financial instruments (continued)

a) Financial assets (continued)

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.

Notes to the financial statements for the year ended December 31, 2019

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. The Entity's financial liabilities comprise the following:

Accounts and other payables

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, 2019

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.

Notes to the financial statements for the year ended December 31, 2019

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, 2019

(In Arab Emirates Dirham)

5 Property, plant and equipment

	Office equipment
Cost:	
Balance as at January 01, 2018	3,163
Additions during the year	17,252
Balance as at December 31, 2018	20,415
Additions during the year	6,403
Balance as at December 31, 2019	**26,818**
Accumulated depreciation:	
Balance as at January 01, 2018	2,206
Charge for the year	5,829
Balance as at December 31, 2018	8,035
Charge for the year	6,006
Balance as at December 31, 2019	**14,041**
Carrying value as at December 31, 2019	**12,777**
Carrying value as at December 31, 2018	12,380

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
Balance as at December 31, 2019	**51,250**
Accumulated amortisation:	
Amortisation during the year	6,318
Balance as at December 31, 2018	6,318
Amortisation during the year	12,813
Balance as at December 31, 2019	**19,131**
Carrying value as at December 31, 2019	**32,119**
Carrying value as at December 31, 2018	44,932

Notes to the financial statements for the year ended December 31, 2019

(In Arab Emirates Dirham)

		Dec 31, 2019	Dec 31, 2018
7	**Accounts receivable**		
	Membership fee receivable	**125,430**	130,502
	Partnership fee receivable	**33,300**	46,250
	Training fee receivable	**20,350**	39,028
		179,080	215,780
	Less: allowance for doubtful receivables	**(26,973)**	(19,882)
		152,107	195,898
	Allowance for doubtful receivables		
	Balance at the beginning of the year	**19,882**	26,735
	Charge during the year (note 14)	**26,973**	33,107
	Written off during the year	**(19,882)**	(39,960)
	Balance at the end of the year	**26,973**	19,882

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, 2019	Dec 31, 2018
8	**Advances, deposits and other receivables**		
	Deposits	**55,643**	3,510
	Prepayments	**16,046**	25,646
	Other receivables	**53,355**	74,316
		125,044	103,472
9	**Cash and bank balances**		
	Cash in hand	**1,584**	2,626
	Bank balance	**416,226**	252,944
		417,810	255,570
10	**Members' funds**		
	Accumulated surplus		
	Balance at the beginning of the year	**575,969**	575,261
	Excess of income over expenditure for the year	**761**	708
	Balance at the end of the year	**576,730**	575,969
11	**Employees' end of service benefits**		
	Balance at the beginning of the year	**22,895**	56,356
	Add: charge for the year	**16,892**	43,376
	Less: paid during the year	**-**	(76,837)
	Balance at the end of the year	**39,787**	22,895

Notes to the financial statements for the year ended December 31, 2019

(In Arab Emirates Dirham)

11 Employees' end of service benefits (continued)

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, 2019	Dec 31, 2018
12	**Other payables**		
	Expenses payable	**123,340**	13,388

		For the year ended	
		Dec 31, 2019	Dec 31, 2018
13	**Other income**		
	Sundry balances written back	**6,660**	6,660
14	**Administrative expenses**		
	Salaries and allowances	**686,356**	721,330
	Rent	**48,808**	45,646
	Legal, visa, professional and related	**80,975**	57,516
	Travelling and lodging	**56,544**	11,180
	Telephone and communication	**19,983**	16,583
	Printing and stationery	**4,347**	8,671
	Bank charges	**19,466**	15,417
	Accounts receivable written off	**4,580**	-
	Depreciation on property, plant and equipment (note 5)	**6,006**	5,829
	Amortisation on intangible assets (note 6)	**12,813**	6,318
	Allowance for doubtful receivables (note 7)	**26,973**	33,107
	Others	**17,346**	20,965
		984,197	942,562

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, 2019	Dec 31, 2018
Financial assets		
Accounts receivable	**152,107**	195,898
Advances, deposits and other receivables	**108,998**	77,826
Bank balance	**416,226**	252,944
	[illegible]	[illegible]

Notes to the financial statements for the year ended December 31, 2019

(In Arab Emirates Dirham)

15 Risk management (continued)

b) Credit risk (continued)

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.

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, 2019	**Carrying value**	**Within 1 year**	**More than 1 year**
Other payables	**123,340**	**123,340**	**-**

As at Dec 31, 2018	Carrying value	Within 1 year	More than 1 year
Other payables	13,388	13,388	-

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.

NOTES

middle east investor relations association

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