middle east
investor relations
association

ANNUAL REPORT & ACCOUNTS 2020

www.meira.me

ANNUAL REPORT & ACCOUNTS

OF THE YEAR ENDED 31 DECEMBER 2020

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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CONTENT

2020 AT A GLANCE

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

FIRST VIRTUAL MEIRA ANNUAL CONFERENCE AND AWARDS WITH MORE THAN 300 DELEGATES

-NEW- LAUNCH OF MEIRA IR BEST PRACTICE GUIDE

-NEW- ONLINE CIRO BOOTCAMPS TO PREPARE EXAM CANDIDATES

EXCLUSIVE PARTNERSHIP WITH FINANCIAL ACADEMY, KSA, TO OFFER CIRO PROGRAMME

LAUNCH OF INAUGURAL SAUDI CAPITAL MARKET AWARDS - BEST IR PROGRAMME 2020

5 CERTIFIED INVESTOR RELATIONS OFFICER (CIRO) ONLINE TRAINING BOOTCAMPS

DELIVERED FOR THE FIRST TIME

20 DELEGATES

25 CERTIFICATIONS

A TOTAL OF **25** EVENTS DURING THE YEAR

ANNUAL CONFERENCE

+300 REGISTRATIONS

20 LIVE SESSIONS *OVER 24-HOURS*

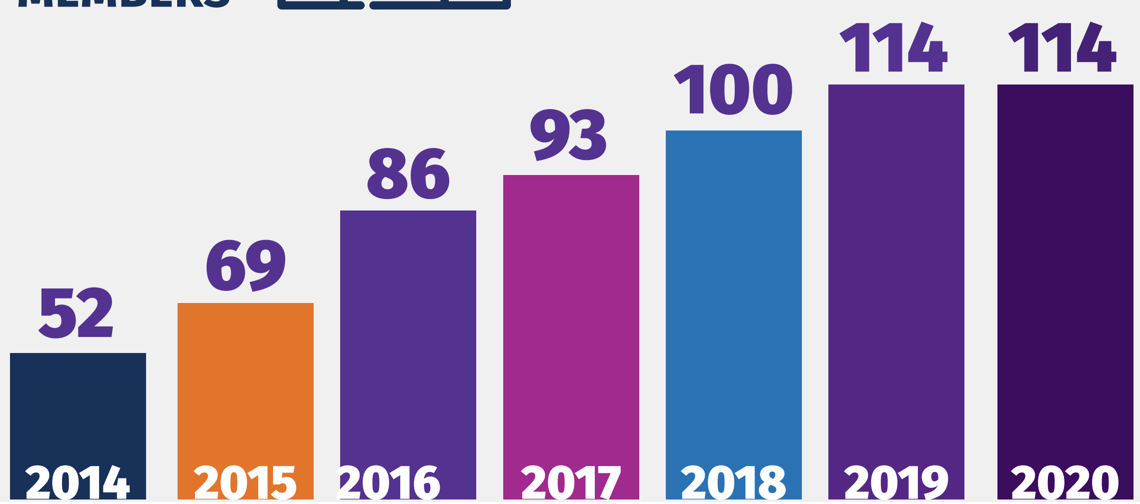
36 INTERNATIONAL AND REGIONAL SPEAKERS

17 REGIONAL COMPANIES AWARDED AT MEIRA AWARDS CELEBRATION

MEMBERS

114 MEMBERS

FROM **10** MARKETS



MEMBERS' REGIONAL BREAKDOWN

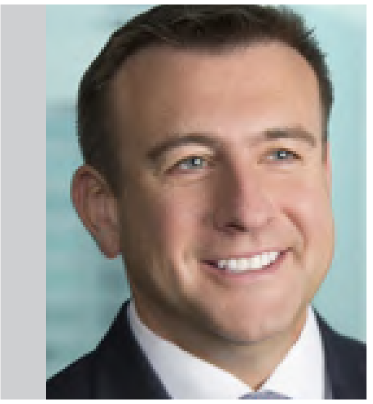
UAE	42
KSA	31
Kuwait	14
Bahrain	6
Qatar	5
Oman	5
Palestine	4
Lebanon	3
Jordan	2
Egypt	2

KEY FINANCIAL INFORMATION

as at 31st December 2020

in AED	2020 *	2019 *
REVENUE	973,498	1,620,952
COSTS AND EXPENSES	971,604	1,620,191
NET INCOME	1,894	761
CASH BALANCE	306,499	417,810
RESERVES	578,624	576,730

*AUDITED FIGURES



Andrew Tarbuck
Chairman

CHAIR'S LETTER TO MEMBERS AND PARTNERS

DEAR MEMBERS AND PARTNERS,

Greetings, after a chastening MEIRA year, it is my pleasure to report to you on 2020, a year like no other, yet still our year. Like an English Premier League (EPL) football match in mid-2020, on resumption after a stop-start year, it was a year of four managed quarters. The first quarter started enthusiastically enough as we completed our latest Chapter meeting on 25 February. It was only after the event that we realised the numbers were belatedly down following an increasing nervousness about social gatherings. Who saw COVID-19 coming? Everything soon slowed before stopping as we recognised that working from home would have to be an option for all of us. Sensibly, albeit, with some foreboding, we started to plan for this. By the end of March, we were all in full lockdown. It soon dawned on us that this would possibly last some time but, ever optimistic, we remained hopeful of a swift return to the office.

By the second quarter, it was evident that business everywhere had effectively paused to work out what to do next. To their credit, while our IR community recognised it was a time to stand up and be counted, the regional regulators were quick to pivot to a world of e-AGMs and encourage continuous disclosure as far as possible. The second quarter bore the brunt of the immediate economic downturn. At MEIRA, we saw a big drop year-on-year in our financials given none of the customary activities that would have normally featured full CIRO training days and other in-person events. Our Board priority remained ongoing cash management, coupled with competent cost management by the executive team. By May 2020, all our activities went online, our existing webinar platform being a welcome MEIRA saver, including a viable option for our IR training programmes.

Over the third quarter, historically, the quieter summer months, we focused on reimagining the annual conference and awards. We knew it would be our first-ever virtual event on that scale but we became very determined to do more than what was probably expected. In this, we were fortunate to be able to count on the existing partnership of Lumi Global, a leading virtual interactive platform. This enabled us to offer a real-time studio facility to all delegates and speakers, a feature that transformed another round of webinar-like discussions to something tangibly more slick and professional in delivery. As one delegate kindly remarked, it was like switching on the television, sitting back and enjoying the 24-hour programme of live streamed keynotes and IR engagement. While it was mainly IR-related, we added some lighter moments to break-up the programme, including live entertainment that featured local talent.

By the end of the third quarter, on the back of a record number of conference registrations – over 300 in total – and an average of at least 80 attendees per session, of which there were over 20, we started to turn the corner. Accordingly, our financial position reflected this as we steadied the good ship, MEIRA. With such prevailing membership support and momentum behind us, not least on the back of generous annual partners, including some newcomers to MEIRA, the final quarter was all about maintaining the curation of quality content. This remained primarily online through our webinar series and supporting publications, including the timely Middle East IR Pulse. With the help of our active social media presence, we were able to constantly remind our regional target audience why IR counts more in tough times. And importantly, why an independent professional body, like MEIRA, among others who we continued to collaborate with, can ring true as far as all our broader market constituents are concerned, not least the exchanges and regulators.

In remaining financially shipshape, it is no coincidence that our highlights of the year featured the unwavering support of our members, partners and key influencers, all of whom recognise that the time for truly professional IR has arrived. We celebrated this strong sense of community by publishing the first regional IR Best Practice Guide with the input of our key stakeholders. We inked an exclusive initiative with the Financial Academy in Saudi Arabia to offer the CIRO programme, including a new bespoke regulatory section, and we partnered the Tadawul to launch the inaugural Saudi Capital Market Awards, including the Best IR Programme of 2020. Given ever discerning investor and stakeholder needs to integrate Environmental, Social and Governance (ESG) factors into any investment story, MEIRA is set to raise the IR bar in 2021. Indeed, we ended our own year with the timely announcement of our continued efforts to promote diversity and inclusion (D&I) in our IR community. This is all about leading by example – the tone at the top – and we are delighted to announce three new MEIRA directors who reflect our leadership renewal and all that is good and promising about MEIRA, the region's professional body for IR. Further, we plan to roll-out a formal D&I initiative in 2021, to be led by Sofia El Boury, our Vice-Chair.

I wish to thank all our members, partners, Chapter Heads, executive team and Board of Directors for continuing to make it happen through thick and thin. Onwards and upwards, team MEIRA, as we seek to drive value together for all our stakeholders. We can't do it without you. Allow me to conclude what has been an extraordinary year for MEIRA with a special thanks to our Exco, comprising senior Board members and the General Manager and team, all of whom have truly led by example and allowed us to successfully navigate a very testing 2020. While we don't have a crystal ball – no-one has – we rely wholeheartedly on our MEIRA leadership to set a steady course, stick to it, while learning from the process every day. We believe that we are certainly stronger for the experience of 2020 and while we must remain vigilant, we are all set for what we expect to be a better 2021. Stay well and here's to quickly getting back to two more normal halves, EPL or not, albeit, possibly having to again endure a slower first half of the year followed by, hopefully, a stronger second half.

Best wishes,

ANDREW TARBUCK
MEIRA Chair

John Gollifer
MEIRA General Manager

GENERAL MANAGER'S LETTER TO MEMBERS AND PARTNERS

DEAR MEMBERS AND PARTNERS,

Thank you for all your support.

As with other small, independent non-profit member associations, MEIRA relies on its annual subscriptions, including the all-important partnerships and sponsorships, that keep our professional body going. 2020 was no different in that we managed to maintain our membership numbers at a similar level. As part of our annual report, we thought it would be useful to share just how we fared in our financial year of 2020, while adding some colour to what we continue to offer you as the region's professional body for IR.

Membership revenues remained largely intact at AED507,123 (2019: 545,195). In any case, our supporting partnerships and sponsorships of AED 378,572 (2019: 580,142), based primarily on the annual conference and awards, held up relatively well, particularly without the usual associated cost of running a full-blown in-person event. Total training numbers of 23 (2019: 58) were considerably down as we experienced an effective stop, then start again, in the first half of our year at the onset of the global pandemic. Accordingly, our CIRO revenues of AED87,803 (2019: 488,955) show the immediate, adverse material impact. In a very uncertain operating environment, we focused our attention on preserving cash and managing our costs to ensure that MEIRA could continue to offer members our customary service. Given a reasonably strong opening balance at the beginning of the financial year, it was only by the start of the third quarter that, for the first time, we dipped marginally below our AED200,000 threshold that continues to serve as a useful cash KPI for the executive team. On the back of a well-received annual conference and awards on 22-23 September, we were able to recover the financial shortfall and re-instate our cash position to a more comfortable level. By year-end, on total revenues of AED973,498 (2019: 1,620,952), cash balances stood at a healthy AED306,499 (2019: 417,810). In spite of a torrid year for everyone, we are proud to report a surplus of AED1,894 (2019: 761) to add to total reserves of AED578,624 (2019: 576,730).

Cash generation, as for all enterprises, remains critical for our continued operations, while not forgetting that we need to strike a balance between keeping the executive team productive and supporting new initiatives. One such area is in our professional development training offering given the clear link between ESG and IR. Accordingly, we plan to collaborate with partners to offer a new introductory ESG course and a more bespoke course that considers the integration of ESG factors into corporate reporting. Inevitably, it has taken some time to adapt our training offering to the new needs of our growing target audience as we all transitioned from physical events to online training. One big advantage of going online is, of course, greater market reach.

With a more disparate and diverse community, including new participants throughout the region, it is clear that we all miss the interaction of meeting face-to-face and being able to work together in the same physical space. Trainers miss all the human cues and feedback, while delegates miss the unique social aspect of comparing notes and learning from peers in an engaging risk-free environment. That said, it didn't take long to change our offering and recognise that attention spans in a virtual classroom are considerably shorter. Moreover, with more preparation needed prior to offering training, we can ensure that we address more customised needs that lend themselves to smarter, punchier delivery of training highlights as opposed to trying to teach everything. Our new MEIRA CIRO Bootcamps will continue to feature in 2021, as will new courses.

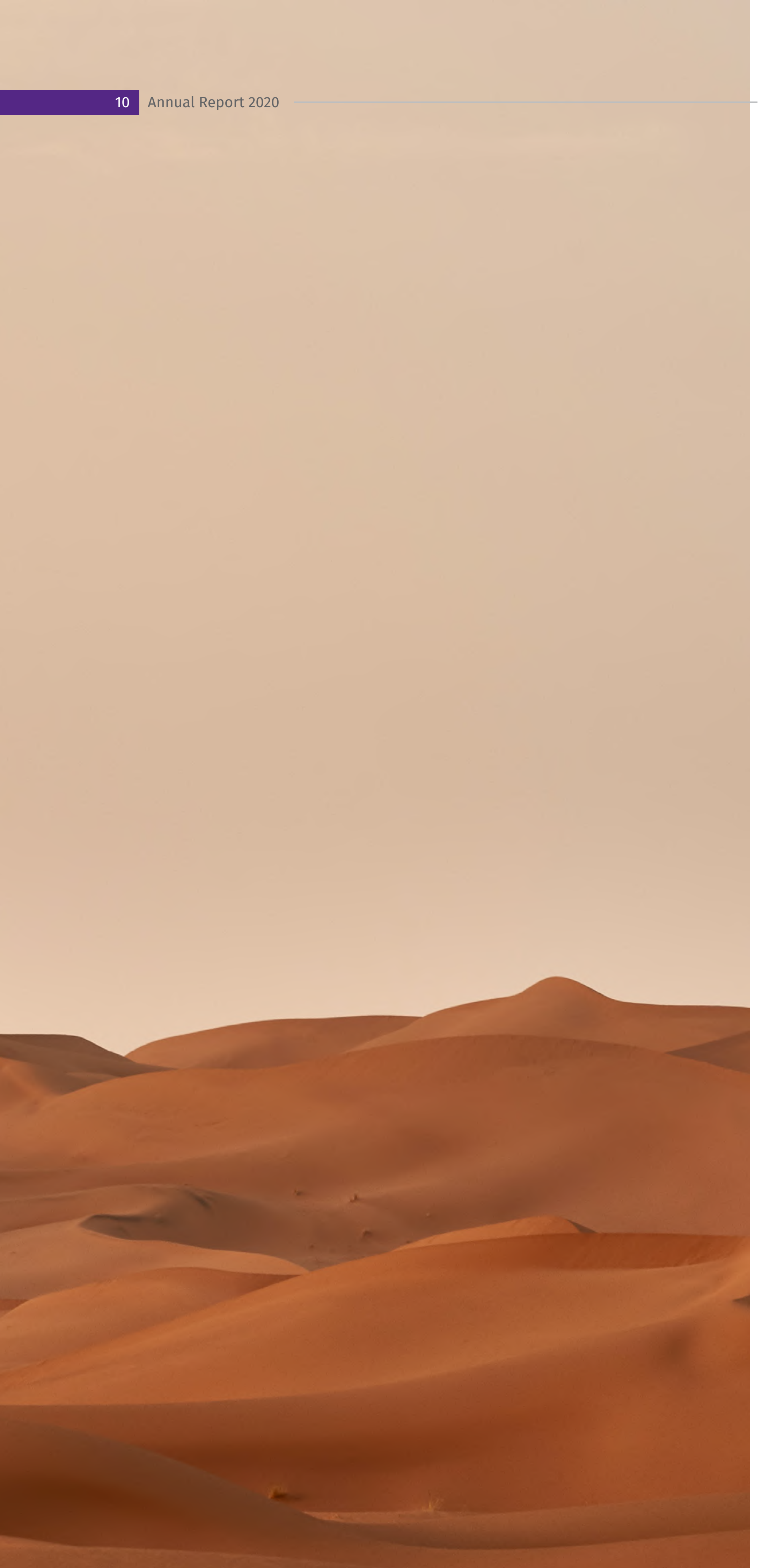
Content curation has been a particularly strong feature of MEIRA and it is an area that we plan to build on in the form of more channels, events, platforms and publications. Moreover, we can possibly offer more innovative services that fill gaps in the market. For example, we already offer mentoring on an informal basis and we occasionally address enquiries to match our members to new roles. Accordingly, it strikes us that we can possibly take this up a notch on the back of our growing market intelligence and network. By all means, get in touch with us and let us know what we can do to further assist you in your own career and professional development.

In concluding, on behalf of all of us in team MEIRA, allow me to thank our Board for its leadership and the outstanding Chapter Heads for their continued enthusiasm and support, without which we cannot possibly have navigated 2020. It was a year to remember, for sure. We all say, quite rightly, that people are at the heart of business and, given our special licence to operate as companies, we surely owe all our stakeholders what they expect. For MEIRA, we recognise our responsibility to our members and partners, without whom we would not exist. As General Manager, my daily responsibility is as much to your executive team, without whom we cannot possibly have sustained the high level of activity and added value for you.

Stay well, let's stay strong and here's to a better 2021 for all, while reminding ourselves that excellent communications remain the key to sustaining business, and best practice IR really sets companies apart in the competition for capital. Here's to bigger, better and bolder, and very much looking forward to getting back together again soon in-person. We have it all to play for and we miss you!

Yours sincerely,

JOHN GOLLIFER
MEIRA General Manager



COMPANY INFORMATION

FOR THE YEAR ENDED 31ST DECEMBER 2020

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	**225519**
Mailing Address & Registered Office	#207, 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* > **Iman Abdel Khalek** – *Member (Appointed on 10 March 2021)* > **Redwan Ahmed** – *Treasurer* > **Dalal Al-Dousari** – *Member (Appointed on 9 December 2020)* > **Rayan Al Karawi** – *Member* > **Huda Al Lawati** – *Member (Resigned on 21 October 2020)* > **Marwa Faisal Al-Mastaki** – *Member (Appointed on 9 December 2020)* > **Omar Darwazah** – *Member* > **Sofia El Boury** – *Vice-Chair* > **Paul Louis Gay** – *Member* > **Peter Gotke** – *Member* > **Mahmoud Salem** – *Member* > **Noor Sweid** – *Member (Resigned on 23 September 2020)* > **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. MEIRA contributes to the overall improvement of regional capital markets by working closely with its members, regulators and exchanges through its 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 customarily a face-to-face meeting but some members in different locations participate in Board meetings by telephone. The current Board consists of 13 members (as of March 2021), 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 support 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 also responsible for the performance review of our external auditors and assists in the recommendation to the Board the reappointment or otherwise of the auditors on an annual basis.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, as was the case in 2020 given the COVID-19 situation we faced.

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, comprising senior Board members, 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 2020 to 31 December 2020, save for the newly appointed member (noted below*) who formally joined the Board on 10 March 2021.
Board members:

> Mohammad Abdal
Member

> Iman Abdel Khalek
*Member**

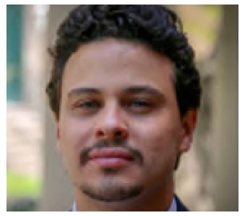
> Redwan Ahmed
Member, Treasurer and member of the Executive Committee

> Dalal Al-Dousari
Member (Appointed on 9 December 2020)

> Rayan Al Karawi
Member

> Huda Al Lawati
Member (Resigned on 21 October 2020)

> Marwa Faisal Al-Mastaki
Member (Appointed on 9 December 2020)



> 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 (Resigned on 23 September 2020)

> Andrew Tarbuck
Chair of the Board and member of the Executive Committee

> Chris Wilson
Member, Chair of the Audit & Remuneration Committee & member of the Executive Committee

Change in Board members in 2020

Changes in Board members holding office in 2020 were as follows:

Appointments:
- **Dalal AlDousari** – *Board member,* ***appointed on 9 December 2020 by decision of the Board***
- **Marwa AlMaskati** – *Board member,* ***appointed on 9 December 2020 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 2020.

Name	Title	04-March-20	30-Jun-20	24-Sep-20	10-Dec-20
Mohammad Abdal	Board member		•	•	•
Redwan Ahmed	Treasurer	•	•	•	•
Dalal Al-Dousari	Board member				•
Rayan Al Karawi	Board member		•	•	•
Huda Al Lawati	Board member		•		
Marwa Al-Mastaki	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 (GM)

John Gollifer joined the Association as the GM on 20 January 2019. John brings over 35 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.

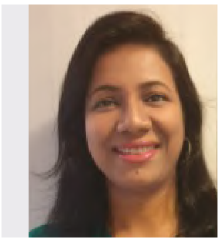
Responsible for supervising and maintaining appropriate controls over the Association's activities, the GM oversees any covenants, deeds or agreements the Association enters into, including with government entities, service providers, third parties and other stakeholder groups. In so doing, the GM, on behalf of the Association, is empowered and ultimately responsible for reviewing, signing and delivering any documents, covenants 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 employee 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 raise 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

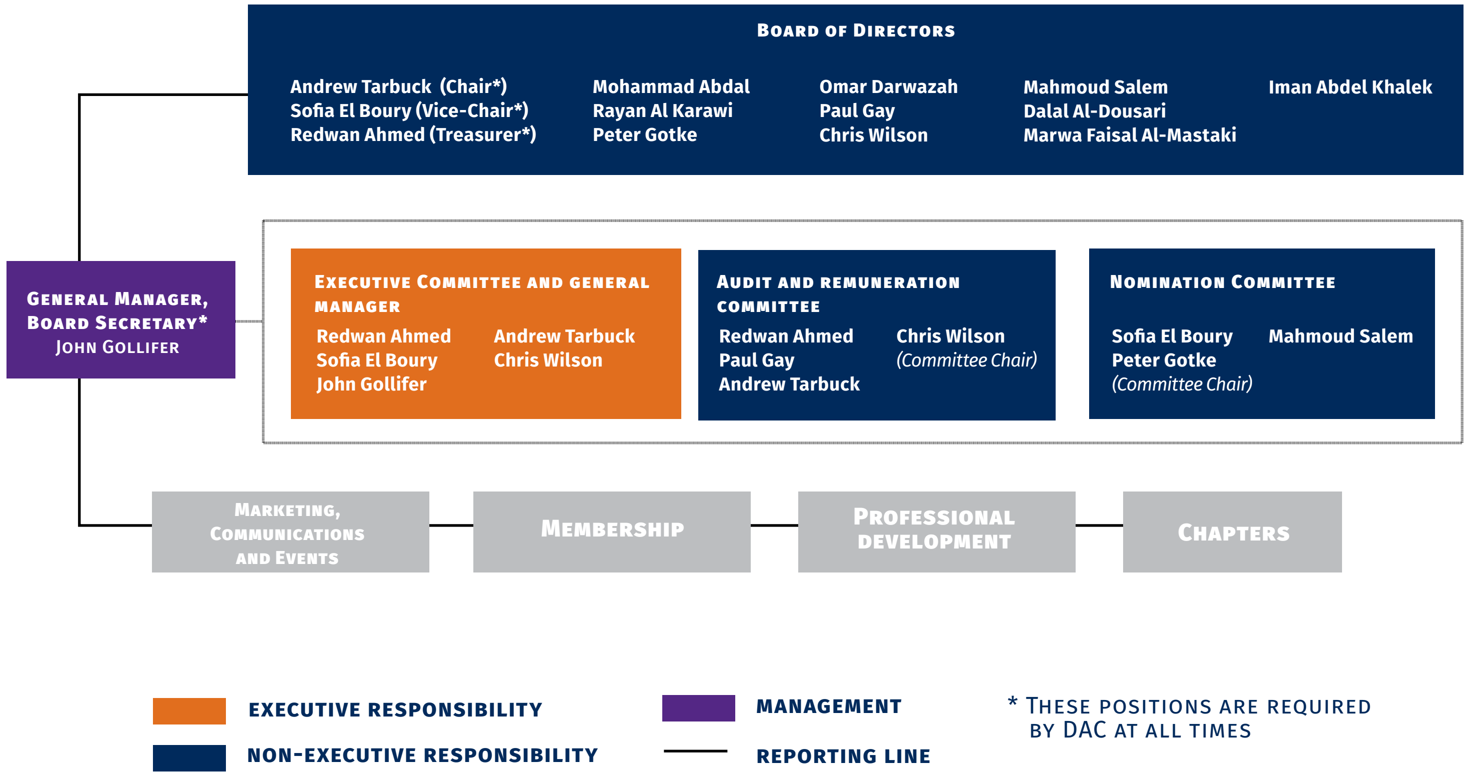


In July 2018, MEIRA hired Deborah Vaz to fill the Executive Assistant position.

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

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

ORGANISATIONAL STRUCTURE



BUSINESS REPORT

OVERVIEW OF 2020 AND MAJOR DEVELOPMENTS

Generally, MEIRA performed creditably given the extraordinary circumstances we faced in the midst of a global pandemic. It is an enormous credit to the executive team that they managed to adapt so well, keep all activities going in 2020 and in many ways, emerged stronger as a team.

During 2020, MEIRA maintained its membership, training and event registrations, including a record attendance at the Annual Conference and Awards.

Perhaps the biggest achievement in 2020 was the publication of the first MEIRA regional IR Best Practice Guide. This important milestone was supported by the regional exchanges and MEIRA partners who have helped MEIRA to reinforce its positioning as a leader in promoting IR best practices in the region. MEIRA increased the number of events in 2020, albeit mostly on a virtual basis, including the first virtual MEIRA Annual Conference, "MEIRA 2020 Vision: Driving stakeholder value", which saw a record number of registrations. In addition, we continued to support other events, including those of other like-minded associations.

MEIRA ended 2020 in a sound position following a wholescale pivot to an online calendar of courses and other events. 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 adviser, continue to maintain a consistent message adapted to each platform, channel and audience, including social media.

Digital and IT initiatives

In July 2019, MEIRA acquired its own webinar facility, GoToWebinar, which certainly served its purpose in 2020 by enabling the MEIRA team to organise a full calendar of online courses and events. This investment will continue to benefit MEIRA members enormously as training offerings are further developed over the coming months. This remains a very cost-effective solution, allowing participants to join events and training online.

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 newest Chapter, Bahrain, continued to make progress in promoting IR to its market. Of particular note is the invitation to MEIRA to develop a new IR Guide for the market in partnership with Bahrain Bourse.
We maintain a proactive dialogue with the Amman Stock Exchange with a view to establishing a new Chapter in Jordan, where we have existing MEIRA members.

During 2020, MEIRA also continued to grow the membership base in other markets, the MEIRA Saudi Chapter being the fastest growing from 27 corporate members in 2019 to 31 members in 2020. The Kuwait Chapter and UAE Chapters also saw increases in their membership.
MEIRA was particularly active in Saudi Arabia, where we signed an exclusive agreement with the Financial Academy to offer the CIRO programme in partnership with the UK IR Society.

COMMUNICATION AND MARKETING

MEIRA delivered some important communication and marketing projects in 2020. In September, MEIRA published the first regional IR Best Practice Guide. The publication, which is available to all MEIRA members, is a comprehensive publication that has been developed in collaboration with IR experts, including our partners, exchanges and IR practitioners from regional and international markets. The guide has been well-received and is a must-have reference guide for anyone new to IR or indeed, any IR professional looking for some practical examples and tips for their day-to-day job. We aim to keep it updated in line with the latest developments in the market with the publication of new editions and additional case studies.
We also continued to provide our white papers and thought leadership articles in collaboration with our partners as well as the new "MEIRA Word". This initiative gave us the opportunity to talk directly with our IR teams, analyse and share the key events taking place in our capital markets. Last but not least, 2020 was also the year of the "Middle East IR Pulse". This timely series provided the IR community with a series of reports with regional insights and market intelligence from senior IR practitioners. Published bi-monthly, each report was supported by a webinar in which our IR experts and guest speakers discussed key findings to unlock trends that helped to drive IR planning and decision-making in the COVID-19 environment.

Events report

One of the key MEIRA activities is the events calendar organised for our members throughout the year. During 2020 we had to convert our events offering to an online model while keeping the engagement and interaction of our MEIRA members and partners. During the year, a total of 25 events were delivered across the region, including the first university talks in the Kingdom of Saudi Arabia.

The MEIRA Annual Conference and Awards was innovatively transformed into a digital format and under the theme of Driving Stakeholder Value, we gathered over 300 delegates during a 24-hour virtual event on 22-23 September.
The Middle East's largest gathering of capital markets professionals discussed topical issues, including the continued digitalization of capital markets and IR. We operate in a region that is set for a rebound and growth prospects, driven by the burgeoning pipeline of IPOs and a recognition of the importance of integrating ESG factors into any investment story.

The annual event started on 22 September with a session sponsored by Dubai Financial Markets, followed by a panel discussion moderated and sponsored by Boursa Kuwait. A dynamic and engaging opening day analysed the key market trends and concluded with the announcement of the Best Practice IR Awards for each regional market. The icing on the MEIRA offering was most certainly provided by a live-show of Ghaliaa Chaker, a local performing artist.

The main conference started with the Chair's annual speech delivered by Andrew Tarbuck. This was followed by the announcement of the Grand Prix Winner of the IR Best Practice Awards. Our first keynote address was delivered by Danko Maras, CFO at Almarai, who was interviewed by George Allen, Partner – Corporate & Capital Markets, Instinctif Partners.

In the afternoon, it was the turn of legendary Dr. Mark Mobius, Partner at Mobius Capital Partners and emerging markets expert, who was interviewed by Sofia El Boury, Head of IR at FAB at MEIRA Vice-Chair. Dr. Mobius spoke of the potential for a V-shaped recovery in a post-COVID-19 economy, the importance of company management in gauging a business' performance and the Middle East's promising regional growth. Dr. Mobius also discussed the state of ESG practices over the course of his long investment career and highlighted its importance as a key determinant of a company's sustainable profitability.

The concluding keynote address featured John Authers, renowned market commentator, who was interviewed by Patrick Clerkin, Head of IR at Emirates NBD. Other compelling sessions covered a wide range of topics from AI to ESG, including the use of a corporate narrative, crisis communications and the growing importance of new trends in technology.

This year's conference also saw the launch of MEIRA's IR Best Practice Guide, a first for the region. As a professional body for IR, MEIRA stands for best practice and this guide brings together valuable information in a single handy reference manual for IR practitioners everywhere.

Training

CIRO Middle East IR Association Certified Investor Relations Officer

2020 presented challenges and as outlined in the GM's letter, the number of training delegates was down to 23 (2019: 58), as was the number of CIRO passes to 25 (2019: 29). In spite of this, MEIRA delivered the CIRO programme 5 times as an online training course or CIRO Bootcamp. As an important part of the training offering, MEIRA continued to offer the short-form IR training course, The Introduction to IR, which offers candidates an introductory understanding of financial markets and IR. This course serves as a useful starter for the CIRO programme. We plan to add new courses as we seek new partners who can help MEIRA to offer subject expertise, including in ESG. In time, we expect to conduct more IR training sessions as we continue to collaborate closely with the regional exchanges and regulators to promote IR to all listed companies.

Financial performance

MEIRA recorded considerably lower revenue in 2020, down 40% on 2019, previously a record year for MEIRA, mainly due to the adverse operating environment. This was particularly evident in the second quarter of the year when the global pandemic took hold. The financial result of a net surplus of AED1,894 (2019: AED761) reflects some write-offs of overdue receivables, notably of companies that experienced difficulty in 2020, in accordance with the Bad Debt Policy.

At the same time, the executive team remains committed to its key performance indicators against which the team can gauge its progress and performance, including for: membership; events; IR training courses; and importantly, financials, notably our cash position and reserves.

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 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. Accordingly, we were able to manage all costs down in 2020 as revenues fell away. The office rent was partially offset with a discount from DAC and we expect our overall office cost to remain lower in 2021.

With the advent of the coronavirus COVID-19 in early 2020, inevitably the operations of MEIRA were adversely affected. We expect the business impact to continue in 2021, after which we hope to see a return to a more normal working environment, including travel to and fro the UAE where we are based. In any case, 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 online alternatives. 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. Given each market is at a different stage of development, MEIRA can play a role in promoting IR at all levels 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 programme offered in partnership with the UK IR Society; publications; and an active events calendar that includes the Annual Conference and Awards, 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 well 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, 2020

Middle East Investor Relations Association
Dubai - United Arab Emirates

Auditor's report and financial statements for the year ended December 31, 2020

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Middle East Investor Relations Association
Dubai - United Arab Emirates

General information

Office address	:	Office TO2-FLR02-02.01 & TO2-FLR02-02.07 The Offices 02 Building in 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) Mr. Rayan Al Karawi (Board Member) Ms. Marwa Al-Maskati (Board Member) Ms. Dalal Al-Dousari (Board Member)
The main bank	:	RAK Bank
Auditor	:	ABK Saqer Auditing P.O. Box 19524 Dubai - United Arab Emirates

Ref: ABK/AR/1073/21

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, 2020 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, 2020 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 10, 2021

Middle East Investor Relations Association
Dubai - United Arab Emirates

Statement of financial position as at December 31, 2020
(In Arab Emirates Dirham)

	Notes	Dec 31, 2020	Dec 31, 2019
Assets			
Non-current assets			
Property, plant and equipment	5	**4,893**	12,777
Intangible assets	6	**19,306**	32,119
Total non-current assets		**24,199**	44,896
Current assets			
Accounts receivable	7	**222,555**	152,107
Advances, deposits and other receivables	8	**136,525**	125,044
Cash and bank balances	9	**306,499**	417,810
Total current assets		**665,579**	694,961
Total assets		**689,778**	739,857
Equity and liabilities			
Equity			
Members' funds	10	**578,624**	576,730
Total equity		**578,624**	576,730
Non-current liabilities			
Employees' end of service benefits	11	**92,727**	39,787
Total non-current liabilities		**92,727**	39,787
Current liabilities			
Other payables	12	**18,427**	123,340
Total current liabilities		**18,427**	123,340
Total liabilities		**111,154**	163,127
Total equity and liabilities		**689,778**	739,857

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 10, 2021 and signed on behalf of the Entity, by:

(Authorized signatory)

Middle East Investor Relations Association
Dubai - United Arab Emirates

Statement of income and expenditure for the year ended December 31, 2020
(In Arab Emirates Dirham)

	Notes	For the year ended Dec 31, 2020	For the year ended Dec 31, 2019
Income			
Partnership income		**227,048**	322,363
Training income		**87,803**	488,955
Membership income		**507,123**	545,195
Annual conference sponsorship income		**151,524**	257,779
Other Income	13	**-**	6,660
Total income		**973,498**	1,620,952
Expenses			
Training expenses		**(38,194)**	(309,680)
Annual conference expenses		**(13,773)**	(181,113)
Other event expenses		**(81,243)**	(145,201)
Administrative expenses	14	**(838,394)**	(984,197)
Total expenses		**(971,604)**	(1,620,191)
Excess of income over expenditure for the year		**1,894**	761

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 10, 2021 and signed on behalf of the Entity, by:

(Authorized signatory)

Middle East Investor Relations Association
Dubai - United Arab Emirates

Statement of changes in equity for the year ended December 31, 2020
(In Arab Emirates Dirham)

	Accumulated surplus
Members' funds	
Balance as at January 01, 2019	575,969
Excess of income over expenditure for the year	761
Balance as at December 31, 2019	576,730
Excess of income over expenditure for the year	1,894
Balance as at December 31, 2020	**578,624**

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

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

Middle East Investor Relations Association
Dubai - United Arab Emirates

Statement of cash flows for the year ended December 31, 2020
(In Arab Emirates Dirham)

	For the year ended	
	Dec 31, 2020	Dec 31, 2019
Cash flows from operating activities		
Excess of income over expenditure for the year	**1,894**	761
Adjustments for:		
Depreciation on property, plant and equipment	**7,884**	6,006
Allowance for doubtful receivables	**39,040**	26,973
Amortisation of intangible assets	**12,813**	12,813
Provision for employees' end of service benefits	**52,940**	16,892
Cash inflow before working capital changes	**114,571**	63,445
(Increase)/decrease in current assets		
Accounts receivable	**(109,488)**	16,818
Advances, deposits and other receivables	**(11,481)**	(21,572)
(Decrease)/increase in current liabilities		
Other payables	**(104,913)**	109,952
Net cash (used in)/from operations	**(111,311)**	168,643
Cash flows from investing activities		
Purchase of property, plant and equipment	**-**	(6,403)
Net cash (used in) investing activities	**-**	(6,403)
Net (decrease)/increase in cash and cash equivalents	**(111,311)**	162,240
Cash and cash equivalents, beginning of the year	**417,810**	255,570
Cash and cash equivalents, end of the year	**306,499**	417,810
Represented by:		
Cash in hand	**1,552**	1,584
Bank balance	**304,947**	416,226
	306,499	417,810

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

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

Middle East Investor Relations Association
Dubai - United Arab Emirates

Notes to the financial statements for the year ended December 31, 2020

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 & TO2-FLR02-02.07, The Offices 02 Building in 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. 225519.

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, 2020.

a) Amendments to IFRS 3 - Definition of a Buisness
b) Amendments to IAS 1 and IAS 8 - Definition of material
c) Amendments to IFRS 7, IFRS 9 and IAS 39 - Interest Rate Bench Mark Reform
d) Amendments to IFRS 16 - Covid 19 related rent concessions
e) Amendments to references to the conceptual framework in IFRS Standards

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 IAS 1 Classification of Liabilities as Current or Non Current - Effective for annual periods beginning on or after January 01, 2023.
d) Amendments to IFRS 3 Reference to the Conceptual Framework - Effective for annual periods beginning on or after January 01, 2022.
e) Amendments to IAS 16 Property, Plant and Equipment - proceeds before intended use - Effective for annual periods beginning on or after January 01, 2022.
f) Amendments to IAS 37 Onerous contracts - cost of fulfilling a contract - Effective for annual periods beginning on or after January 01, 2022.
g) Annual improvements to IFRS Standards 2018 - 2020 cycle - Effective for annual periods beginning on or after January 01, 2022.

In the opinion of the Managing Board, 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.

Middle East Investor Relations Association
Dubai - United Arab Emirates

Notes to the financial statements for the year ended December 31, 2020

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.

Middle East Investor Relations Association
Dubai - United Arab Emirates

Notes to the financial statements for the year ended December 31, 2020

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.

Middle East Investor Relations Association
Dubai - United Arab Emirates

Notes to the financial statements for the year ended December 31, 2020

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

<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.

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.

Middle East Investor Relations Association
Dubai - United Arab Emirates

Notes to the financial statements for the year ended December 31, 2020

3 Significant accounting policies (continued)

3.8 Financial instruments (continued)

a) Financial assets (continued)

<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.

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

Middle East Investor Relations Association
Dubai - United Arab Emirates

Notes to the financial statements for the year ended December 31, 2020

3 Significant accounting policies (continued)

3.8 Financial instruments (continued)

a) Financial assets (continued)

- 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.

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.

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3 Significant accounting policies (continued)

3.9 Revenue recognition (continued)

b) Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

c) Determine the transaction price: The transaction price is the amount of consideration to which the Entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

d) Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Entity will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Entity expects to be entitled in exchange for satisfying each performance obligation.

e) Recognise revenue when (or as) the entity satisfies a performance obligation.

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

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

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

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

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

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

4 Critical accounting judgements and key sources of estimation uncertainty

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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Notes to the financial statements for the year ended December 31, 2020

4 Critical accounting judgements and key sources of estimation uncertainty (continued)

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.

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5 Property, plant and equipment

	Office equipment
Cost:	
Balance as at January 01, 2019	20,415
Additions during the year	6,403
Balance as at December 31, 2019	26,818
Balance as at December 31, 2020	**26,818**
Accumulated depreciation:	
Balance as at January 01, 2019	8,035
Charge for the year	6,006
Balance as at December 31, 2019	14,041
Charge for the year	7,884
Balance as at December 31, 2020	**21,925**
Carrying value as at December 31, 2020	**4,893**
Carrying value as at December 31, 2019	12,777

6 Intangible assets

The carrying value of the intangible assets are as follows:

	Website development
Cost:	
Balance as at January 01, 2019	51,250
Balance as at December 31, 2019	51,250
Balance as at December 31, 2020	**51,250**
Accumulated amortisation:	
Balance as at January 01, 2019	6,318
Amortisation during the year	12,813
Balance as at December 31, 2019	19,131
Amortisation during the year	12,813
Balance as at December 31, 2020	**31,944**
Carrying value as at December 31, 2020	**19,306**
Carrying value as at December 31, 2019	32,119

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		Dec 31, 2020	Dec 31, 2019
7	**Accounts receivable**		
	Membership fee receivable	161,180	125,430
	Partnership fee receivable	68,782	33,300
	Training fee receivable	15,429	20,350
		245,391	179,080
	Less: allowance for doubtful receivables	(22,836)	(26,973)
		222,555	152,107
	Allowance for doubtful receivables		
	Balance at the beginning of the year	26,973	19,882
	Charge during the year (note 14)	39,040	26,973
	Written off during the year	(43,177)	(19,882)
	Balance at the end of the year	22,836	26,973

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, 2020	Dec 31, 2019
8	**Advances, deposits and other receivables**		
	Deposits	55,643	55,643
	Prepayments	18,020	16,046
	Other receivables	62,862	53,355
		136,525	125,044
9	**Cash and bank balances**		
	Cash in hand	1,552	1,584
	Bank balance	304,947	416,226
		306,499	417,810
10	**Members' funds**		
	Accumulated surplus		
	Balance at the beginning of the year	576,730	575,969
	Excess of income over expenditure for the year	1,894	761
	Balance at the end of the year	578,624	576,730
11	**Employees' end of service benefits**		
	Balance at the beginning of the year	39,787	22,895
	Add: charge for the year	52,940	16,892
	Balance at the end of the year	92,727	39,787

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.

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Notes to the financial statements for the year ended December 31, 2020
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		Dec 31, 2020	Dec 31, 2019
12	**Other payables**		
	Advance from members	6,660	-
	VAT payable	3,567	-
	Expenses payable	8,200	123,340
		18,427	123,340

		For the year ended	
		Dec 31, 2020	Dec 31, 2019
13	**Other income**		
	Sundry balances written back	-	6,660
14	**Administrative expenses**		
	Salaries and allowances	626,200	686,356
	Rent	44,142	48,808
	Legal, visa, professional and related	56,795	80,975
	Travelling and lodging	7,060	56,544
	Telephone and communication	16,821	19,983
	Printing and stationery	1,985	4,347
	Bank charges	13,036	19,466
	Accounts receivable written off	-	4,580
	Depreciation on property, plant and equipment (note 5)	7,884	6,006
	Amortisation on intangible assets (note 6)	12,813	12,813
	Allowance for doubtful receivables (note 7)	39,040	26,973
	Others	12,618	17,346
		838,394	984,197

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, 2020	Dec 31, 2019
Financial assets		
Accounts receivable	222,555	152,107
Advances, deposits and other receivables	118,505	108,998
Bank balance	304,947	416,226
	646,007	677,331

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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, 2020	**Carrying value**	**Within 1 year**	**More than 1 year**
Other payables	**18,427**	**18,427**	**-**

As at Dec 31, 2019	Carrying value	Within 1 year	More than 1 year
Other payables	123,340	123,340	-

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.

NOTES

middle east investor relations association

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