

Interactive Advertising Bureau

(A Non-Profit Association)

Dubai - United Arab Emirates

Independent auditor's report and
financial statements

31 March 2024

Interactive Advertising Bureau

(A Non-Profit Association)

Dubai - United Arab Emirates

Financial statements

31 March 2024

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Interactive Advertising Bureau

(A Non-Profit Association)

Dubai - United Arab Emirates

Financial statements

31 March 2024

Association information

Name of the Association	Interactive Advertising Bureau
Address	The Offices 02 Building in One Central 2 nd Floor Dubai World Trade Centre Dubai, United Arab Emirates
Auditor	VSP Auditing Associates Dubai, United Arab Emirates
Banker	Emirates NBD



Interactive Advertising Bureau
(A Non-Profit Association)
Dubai - United Arab Emirates

Financial statements

31 March 2024

Board of Directors' report

The Director present his report together with the audited financial statements for the year ended 31 March 2024.

Principal activities

The activities of the Association as per license are carry out seminars, workshops, conferences, meetings and training courses related to its activities.

Financial results

The financial results of the Association have been presented on page 7 of these financial statements.

Auditors

The financial statements have been audited by M/s. VSP Auditing Associates, who retire and being eligible, offer themselves for re-appointment.

Acknowledgements

The Director would like to take this opportunity to thank Government bodies, the members, investors, bankers & employees for their continuous commitment, co-operation, confidence & support in achieving the Association's objectives.

Director
Interactive Advertising Bureau
5 June 2024



INDEPENDENT AUDITOR'S REPORT

**The Board of Directors of
Interactive Advertising Bureau
Dubai, United Arab Emirates**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Interactive Advertising Bureau (An "Association")**, which comprise the statement of financial position as at 31 March 2024 and the statement of activities, statement of functional expenses and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Association as at 31 March 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS Accounting 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 Association in accordance with 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 and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF
INTERACTIVE ADVERTISING BUREAU (continued)**

**Responsibilities of Management and Those Charged with Governance for the Financial
Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards and the applicable provisions of the laws and regulations and for such internal control as management determines is 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, management is responsible for assessing the Association'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 management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 risks 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 the override of internal control.

**INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF
INTERACTIVE ADVERTISING BUREAU (continued)**

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- 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 Association'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 management'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 Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are 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 Association 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Association to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Association audit. We remain solely responsible for our audit opinion.

**INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF
INTERACTIVE ADVERTISING BUREAU (continued)**

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

We communicate with those charged with governance 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

VSP Auditing Associates





Mr. Abdulaziz Abdulla Ibrahim A Alabdulla

Audit License No. 653

5 June 2024

Dubai, United Arab Emirates

Interactive Advertising Bureau
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Dubai - United Arab Emirates

Statement of financial position
as at 31 March 2024

	Notes	31.3.2024 AED	31.3.2023 AED
ASSETS			
Current assets			
Accounts receivables	4	520,553	269,470
Other receivables	5	80,314	82,822
Cash and bank balances	6	1,552,282	1,583,846
Total current assets		<u>2,153,149</u>	<u>1,936,138</u>
Total Assets		<u>2,153,149</u>	<u>1,936,138</u>
NET ASSETS AND LIABILITIES			
NET ASSETS			
Initial members' contribution		305,167	305,167
Retained earnings		1,652,345	1,545,417
Total Net Assets		<u>1,957,512</u>	<u>1,850,584</u>
Current liabilities			
Accounts and other payables	7	195,637	85,554
Total current liabilities		<u>195,637</u>	<u>85,554</u>
Total liabilities		<u>195,637</u>	<u>85,554</u>
Total Net Assets and Liabilities		<u>2,153,149</u>	<u>1,936,138</u>

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

Director
5 June 2024



Interactive Advertising Bureau
(A Non-Profit Association)
Dubai - United Arab Emirates

Statement of activities
for the year ended 31 March 2024

	31.3.2024	31.3.2023
	AED	AED
Initial members' contribution	305,167	305,167
Operating revenue		
Membership fees	1,473,440	1,295,260
In-kind contributions	-	292,000
	<u>1,473,440</u>	<u>1,587,260</u>
Operating costs	-	(292,000)
Supporting costs	(1,367,083)	(945,140)
Other income	571	112
Net operating income for the year	<u>106,928</u>	<u>350,232</u>
Net Assets at the end of the year	<u><u>1,957,512</u></u>	<u><u>1,850,584</u></u>

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



Interactive Advertising Bureau
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Statement of functional expenses
for the year ended 31 March 2024

	Operating costs		Supporting costs		Total AED
	AED	AED	AED	AED	
Professional fees	-	781,500	-	-	781,500
Project costs	-	-	438,978	-	438,978
License fees	-	-	98,115	-	98,115
Office expenses	-	-	28,122	-	28,122
Rent	-	-	20,000	-	20,000
Bank charges	-	-	-	368	368
Total costs	-	-	1,367,083	-	1,367,083

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

Interactive Advertising Bureau
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Statement of cash flows
for the year ended 31 March 2024

	Notes	31.3.2024 AED	31.3.2023 AED
Operating activities			
Net operating income for the year		106,928	350,232
Changes in:			
- accounts receivables		(251,083)	(38,105)
- other receivables		2,508	15,914
- accounts and other payables		110,083	22,558
Net cash used in/generated from operating activities		<u>(31,564)</u>	<u>350,599</u>
Investing activities			
Fixed deposit		(571)	(20,112)
Net cash flows used in investing activities		<u>(571)</u>	<u>(20,112)</u>
Net decrease/increase in cash and cash equivalents		(32,135)	330,487
Cash and cash equivalents at the beginning of the year		1,563,734	1,233,247
Cash and cash equivalents at the end of the year		<u><u>1,531,599</u></u>	<u><u>1,563,734</u></u>
Represented by:			
Cash at bank	8	<u><u>1,531,599</u></u>	<u><u>1,563,734</u></u>

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



Interactive Advertising Bureau

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Notes to the financial statements

for the year ended 31 March 2024

1 Association and purpose

Interactive Advertising Bureau is registered with the Dubai Economy and Tourism, Government of Dubai as a Non-Profit Association under the professional license no. 1316653. The address of the Association's registered office is The Offices 02 Building in One Central, 2nd Floor, Dubai World Trade Centre, Dubai, United Arab Emirates.

The Authority has wrongly considered the entity as a branch of business and international organization offices. However, the management has approached the Authority to rectify the error and to treat it as "not for profit entity", which is under progress.

The activities of the Association as per license are carry out seminars, workshops, conferences, meetings and training courses related to its activities.

These financial statements relate to the accounts for the period from 1 April 2023 to 31 March 2024.

2 Basis of preparation

(a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS Accounting Standards") and applicable provisions. Details of the Association's accounting policies are included in Note 3.

(b) Basis of measurement

These financial statements have been prepared using the historical cost convention except for certain financial instruments which are carried at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair value of consideration given in exchange for goods and services.

(c) Functional and presentation currency

These financial statements are presented in United Arab Emirates Dirhams ("AED"), which is the functional currency of the Association.



Interactive Advertising Bureau

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Notes to the financial statements *(continued)*

for the year ended 31 March 2024

2 Basis of preparation *(continued)*

(d) Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Association's accounting policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors which are considered to be relevant. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed by the management on an ongoing basis. Revisions to estimates are recognized prospectively.

(e) Measurement of fair values

Fair value is the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

In estimating the fair value of an asset or a liability, the Association takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

When measuring the fair value of an asset or liability, the Association uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques.

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.



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Notes to the financial statements (*continued*)

for the year ended 31 March 2024

2 Basis of preparation (*continued*)

(f) Going concern

The directors have, at the time of approving the financial statements, made a reasonable expectation that the Association have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

(g) Current versus non-current classification

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

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- 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 the normal operating cycle;
- It is held primarily for the purpose of trading;
- 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 terms of the liability that could, at the option of the counterparty, results in its settlement by the issue of equity instruments do not affect its classification.

The Association classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

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Notes to the financial statements (*continued*)

for the year ended 31 March 2024

3 Summary of significant accounting policies

(a) Foreign currencies

In preparing the financial statements of the Association, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are 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 translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in the statement of functional expenses in the period in which they arise.

(b) Financial instruments

Financial assets and financial liabilities are recognised in the Association's statement of financial position when the Association becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less, net of outstanding bank overdrafts.



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Notes to the financial statements *(continued)*

for the year ended 31 March 2024

3 Summary of significant accounting policies *(continued)*

(b) Financial instruments *(continued)*

Financial assets *(continued)*

Amortized cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method resulting in any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

For financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the 'other gains and losses'.

Impairment of financial assets

The Association recognizes a loss allowance for expected credit losses (ECL) on trade receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Association estimates impairment allowances using the general or simplified approach wherever applicable.

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Notes to the financial statements (*continued*)

for the year ended 31 March 2024

3 Summary of significant accounting policies (*continued*)

(b) Financial instruments (*continued*)

Financial assets (*continued*)

De-recognition of financial assets

The Association derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

Financial liabilities and equity

Financial liabilities

All financial liabilities are measured subsequently at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

De-recognition of financial liabilities

The Association derecognizes financial liabilities when, and only when, the Association's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

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Notes to the financial statements (*continued*)

for the year ended 31 March 2024

3 Summary of significant accounting policies (*continued*)

(b) Financial instruments (*continued*)

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Association currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(c) Property, plant and equipment

Recognition and measurement

Items of property plant and equipment (except land and capital work in progress) are measured at cost less accumulated depreciation and identified impairment losses, if any.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent expenditure

Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Association. Ongoing repairs and maintenance is expensed as incurred.

Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment (except land and capital work in progress) less their estimated residual values using the straight line method over their estimated useful lives. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Association will obtain ownership by the end of the lease term. Land is not depreciated.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

There is no property, plant and equipment as on the date of statement of financial position.



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Notes to the financial statements (*continued*)

for the year ended 31 March 2024

3 Summary of significant accounting policies (*continued*)

(d) Functional allocation of expenses

The costs of operations and supporting activities have been summarized on a functional basis in the Statement of Activities. The Statement of Functional Expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the operations and supporting services.

The financial statements report certain categories of expenses that are attributable to one or more of Association's operations or supporting functions.

(e) Leases

At inception of the contract, the Association assesses whether a contract is or contains a lease. The Association recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Association recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.



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Notes to the financial statements (*continued*)

for the year ended 31 March 2024

3 Summary of significant accounting policies (*continued*)

(f) Impairment of non-financial assets

At each reporting date, the Association reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Recoverable amount is the higher of fair value less costs of disposal and value in use.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss to the extent that it eliminates the impairment loss which has been recognized for the asset in prior years.

(g) Provisions

Provisions are recognized when the Association has a present obligation (legal or constructive) as a result of a past event, it is probable that the Association will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, if it is virtually certain that such reimbursement will be received and the amount of the receivable can be measured reliably, a receivable is recognized as an asset.



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Notes to the financial statements (*continued*)

for the year ended 31 March 2024

3 Summary of significant accounting policies (*continued*)

(h) Operating revenue

Contributions of cash and other assets are reported as with donor or grantor restriction if they are received with donor or grantor stipulations that limit or specify the use of the donated assets, whether by time, period or purpose. When a donor or grantor restriction expires – that is, when a stipulated time restriction ends or the stated purpose restriction is accomplished – donor / grantor restricted net assets are reclassified to net assets without donor restriction and reported in the Statement of Activities as net assets released from restrictions.

In-kind contributions

Non-monetary contributions of goods and services are recorded at their fair values in the year received. Donated services are recorded at their fair values in the year received, provided that such services either create or enhance non-financial assets or the services are considered “professional” services which Association would otherwise be required to purchase. Donated fixed assets are recorded at fair value when received and reflected in these financial statements as contribution revenue and an addition to fixed assets. Non-monetary donations are recognized as revenue and offsetting expense or asset, depending on the nature of such support received.

(i) Finance income and finance costs

Finance income is recognized in profit or loss as it accrues, using the effective interest rate method.

Finance cost comprises bank charges. All finance cost are recognized in profit or loss using the effective interest rate method.

Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether the foreign currency movements are in a net gain or net loss position.



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Notes to the financial statements (*continued*)

for the year ended 31 March 2024

3 Summary of significant accounting policies (*continued*)

(j) Tax

Value Added Tax (VAT)

Revenues, expenses and assets are recognized net of the amount of VAT, except where the amount of VAT incurred is not recoverable from the UAE Federal Tax Authority (FTA). In these circumstances, the VAT is recognized as part of the cost of acquisition of the asset or is expensed.

Receivables and payables are stated with the amount of VAT included. The net of VAT recoverable from, or payable to, the FTA is included as a current asset or liability in the statement of financial position.



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Notes to the financial statements *(continued)*
for the year ended 31 March 2024

	31.3.2024	31.3.2023
	AED	AED
4 Accounts receivables		
Membership fees	520,553	269,470
	<u>520,553</u>	<u>269,470</u>
Ageing of accounts receivables		
Not past due	433,814	202,447
Past due (up to 90 days)	86,739	67,023
	<u>520,553</u>	<u>269,470</u>
a) The fair value of accounts receivables is not materially different from their net balances shown in the statement of financial position.		
b) The credit risk on accounts receivables is limited as the Association evaluates its members and limits the credit risks by ensuring that collections are in line with the agreed terms and conditions.		
c) Provision is made against accounts receivables as soon as they are estimated as doubtful.		
	31.3.2024	31.3.2023
	AED	AED
5 Other receivables		
Prepayments	78,314	80,822
Deposits	2,000	2,000
	<u>80,314</u>	<u>82,822</u>
6 Cash and bank balances		
Cash at bank		
- in current accounts	1,531,599	1,563,734
- in fixed deposit	20,683	20,112
	<u>1,552,282</u>	<u>1,583,846</u>
7 Accounts and other payables		
Accounts payables	168,802	62,000
Duties and taxes	26,381	22,816
Other payables	454	738
	<u>195,637</u>	<u>85,554</u>
8 Cash and cash equivalents for cash flow purpose		
Cash and bank balances (Note 6)	1,552,282	1,583,846
Less: Fixed deposit (Note 6)	(20,683)	(20,112)
	<u>1,531,599</u>	<u>1,563,734</u>



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Notes to the financial statements (*continued*)

for the year ended 31 March 2024

9 Financial instruments

The net carrying amounts as at the reporting date of financial assets and financial liabilities are as follows:

	31.3.2024	31.3.2023
	AED	AED
At amortized cost		
Financial assets		
Accounts receivables	520,553	269,470
Other receivables	80,314	82,822
Cash and bank balances	1,552,282	1,583,846
Financial liabilities		
Accounts and other payables	195,637	85,554

Risk management framework

The Association has exposure to the following risks from its use of financial instruments:

Credit risk

Market risk

Liquidity risk

This note presents information about the Association's exposure to each of the above risks, the Association's objectives, policies and processes for measuring and managing risk, and the Association's management of capital.

The management has overall responsibility for the Association and oversight of the Association's risk management framework. The Association's senior management is responsible for developing and monitoring the Association's risk management policies.

The Association's risk management policies are established to identify and analyse the risks faced by the Association, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Association's activities. The Association, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.



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Notes to the financial statements *(continued)*

for the year ended 31 March 2024

9 Financial instruments *(continued)*

Risk management framework *(continued)*

As part of the application of the risk management policies, management is also responsible for development and implementation of controls to address operational risks arising from a wide variety of causes associated with the Association's processes, personnel, technology and infrastructure, and from external factors arising from legal and regulatory requirements, political and economic stability in the jurisdictions that the Association operates and generally accepted standards of corporate behavior.

Credit risk

Credit risk is the risk of financial loss to the Association if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Association's accounts and other receivables and balances with banks. To manage this risk, the Association periodically assesses credit risk, assigns individual credit limits and takes appropriate actions to mitigate credit risk.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	31.3.2024	31.3.2023
	AED	AED
Accounts receivables	520,553	269,470
Other receivables	2,000	2,000
(excluding advances and prepayments)		
Cash at bank	1,531,599	1,563,734
	<u>2,054,152</u>	<u>1,835,204</u>

The Association's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Association's management has established a credit policy under which each new customer is analyzed individually for credit worthiness.

In monitoring credit risk, customers and related parties are grouped according to their credit characteristics, including whether they are an individual or legal entity, geographic location, industry, ageing profile, maturity and evidence of previous financial difficulties.



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Notes to the financial statements *(continued)*

for the year ended 31 March 2024

9 Financial instruments *(continued)*

Risk management framework *(continued)*

Credit risk *(continued)*

Balances with banks

The Association limits its exposure to credit risk by placing balances with international and local banks. Given the profile of its bankers, management does not expect any counter party to fail to meet its obligations. The bank balances are held with the banks and financial institutions of repute.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, commodity price and equity price will affect the Association's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Currency risk

Currency risk related to change in exchange rate which affect payment flows in foreign currencies and valuation of liabilities in foreign currencies. The Association regularly monitors exchange fluctuations and take such steps as may be required to cover itself.

Interest rate risk

The Association is exposed to interest risk as per common market norms.

Liquidity risk

Liquidity risk is the risk that the Association will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. The Association's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

Ultimate responsibility for liquidity risk management rests with the management, which has established an appropriate liquidity risk management framework for management of the Association's short, medium and long-term funding and liquidity management requirements.



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Notes to the financial statements *(continued)*

for the year ended 31 March 2024

9 Financial instruments *(continued)*

Capital management

The Association's policy is to maintain a strong capital base to sustain future development of the business and maintain investor and creditor confidence. A balance between the higher returns and the advantages and security offered by a sound capital position, is maintained.

10 Significant accounting estimates and critical accounting judgements

The Association makes estimates and assumptions which affect the reported amounts of assets and liabilities within the next financial year. Estimates and critical accounting judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on amounts recognized in the combined financial statements are as follows.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, as discussed below.

Impairment of doubtful accounts

Receivables consist primarily of non-interest-bearing amounts due from members for membership fees. Association uses the allowance method for recognition of uncollectible receivables, whereby an allowance for possible uncollectibility is established when collection becomes doubtful. No allowance for doubtful accounts was recorded at 31 March 2024, since management considered all receivables to be collectible.

11 Corporate income tax

On December 9, 2022, the U.A.E Ministry of Finance released the Federal Decree - Law No. 47 of 2022 on the Taxation of Corporations and businesses (the Law) to enact a Federal Corporate Tax (CT) regime in the U.A.E. The CT regime will become effective for accounting periods beginning on or after June 1, 2023.



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for the year ended 31 March 2024

11 Corporate income tax *(continued)*

A rate of 9% will apply to taxable income exceeding a particular threshold to be prescribed by way of a Cabinet Decision (expected to be AED 375,000 based on information released by the Ministry of Finance), a rate of 0% will apply to taxable income not exceeding this threshold and a rate of 0% on qualifying income of free zone entities. In addition, there are several other decisions that are yet to be finalized by way of a Cabinet Decision that are significant in order for entities to determine their tax status and taxable income. Therefore, pending such important decisions, the Association has considered that the Law, as it currently stands, is not substantively enacted as at March 31, 2024 from the perspective of IAS 12 - Income Taxes.

The Association shall continue to monitor the timing of the issuance of these critical Cabinet Decisions to determine their tax status and the application of IAS 12 - Income Taxes. The Association is currently in the process of assessing the possible impact on the financial statements, both from current and deferred tax perspective, once the Law becomes substantively enacted.

12 Comparative amounts

Previous year's figures are regrouped wherever necessary to conform to current year classification.

13 Approval of the financial statements

The financial statements were approved and authorized for issue, by the management on 5 June 2024.

