

**INTERACTIVE ADVERTISING BUREAU  
(A Non-Profit Association)  
DUBAI - UNITED ARAB EMIRATES**

**Independent auditor's report and  
financial statements for the period  
ended 31 March 2020**

**INTERACTIVE ADVERTISING BUREAU**

**(A Non-Profit Association)**

**Dubai - United Arab Emirates**

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## INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF INTERACTIVE ADVERTISING BUREAU

### Report on the Audit of Financial Statements

We have audited the accompanying financial statements of **Interactive Advertising Bureau (An Association)**”, which comprise the statement of financial position as at 31 March 2020, and the statement of activities, statement of functional expenses and statement of cash flows for the period ended, and notes to the financial statements and a summary of significant accounting policies and other explanatory information.

#### *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 IFRSs 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.

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

As part of an audit in accordance with ISAs, we exercise professional judgment 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.
- 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.

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.



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

*Opinion*

In-kind contributions and VAT implications are taken as provided by the management.

Except to the effect of above, the accompanying financial statements present fairly, in all material respects, the financial position of **Interactive Advertising Bureau** as at 31 March 2020, and its activities and its cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRSs).





**VSP Auditing Associates**

Mr. Abdulaziz Abdulla Ibrahim A Alabdulla

Audit License No. 653

23 April 2020

**INTERACTIVE ADVERTISING BUREAU**  
**(A Non-Profit Association)**  
**Dubai - United Arab Emirates**

**Statement of financial position as at 31 March 2020**

	Note	AED
<b>ASSETS</b>		
<b>Current assets</b>		
Accounts receivables	4	206,486
Deposits		20,000
Cash and bank balances	5	<u>689,364</u>
<b>Total current assets</b>		<u>915,850</u>
<b>Total Assets</b>		<u><u>915,850</u></u>
<b>NET ASSETS AND LIABILITIES</b>		
<b>NET ASSETS</b>		
Initial members' contribution		305,167
Net income		<u>495,736</u>
<b>Total Net Assets</b>		<u>800,903</u>
<b>Current liabilities</b>		
Accounts payables		14,456
Other payables		<u>100,491</u>
<b>Total current liabilities</b>		<u>114,947</u>
<b>Total liabilities</b>		<u>114,947</u>
<b>Total Net Assets and Liabilities</b>		<u><u>915,850</u></u>

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

These financial statements were approved by the management on 23 April 2020.

Acting CEO



**INTERACTIVE ADVERTISING BUREAU**  
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**Dubai - United Arab Emirates**

**Statement of activities**  
**For the period from 9 May 2019 to 31 March 2020**

	<b>AED</b>	<b>Total AED</b>
<b>Initial members' contribution</b>	<u>305,167</u>	<u>305,167</u>
<b>Operating revenue</b>		
In-kind contributions	320,196	
Membership fees	<u>688,594</u>	
	1,008,790	
<b>Operating costs</b>	<u>(320,196)</u>	
	688,594	
<b>Supporting costs</b>	<u>(192,858)</u>	
<b>Net operating income for the period</b>	<u>495,736</u>	<u>495,736</u>
<b>Net Assets at the end of the period</b>		<u><u>800,903</u></u>

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**INTERACTIVE ADVERTISING BUREAU**  
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**Statement of functional expenses**  
**For the period from 9 May 2019 to 31 March 2020**

	Note	Operating costs AED	Supporting costs AED	Total AED
In-kind professional services	6	320,196	-	320,196
Professional fees		-	99,204	99,204
License fees		-	88,140	88,140
Office expenses		-	3,506	3,506
Advertisement expenses		-	1,350	1,350
Bank charges		-	658	658
<b>Total costs</b>		<b><u>320,196</u></b>	<b><u>192,858</u></b>	<b><u>513,054</u></b>

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**INTERACTIVE ADVERTISING BUREAU**  
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**Statement of cash flows**

**For the period from 9 May 2019 to 31 March 2020**

	<b>AED</b>
<b>Cash flows from operating activities</b>	
Net operating income for the period	495,736
Changes in:	
Accounts receivables	(206,486)
Deposits	(20,000)
Accounts payables	14,456
Other payables	100,491
<b>Net cash flows from operating activities</b>	<u>384,197</u>
<b>Cash flows from financing activities</b>	
Initial members' contribution	305,167
<b>Net cash flows from financing activities</b>	<u>305,167</u>
Net increase in cash and cash equivalents	689,364
<b>Cash and cash equivalents at the end of the period</b>	<u><u>689,364</u></u>
<b>Cash and cash equivalents comprise of:</b>	
Cash at bank	<u><u>689,364</u></u>

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

These financial statements were approved by the management on 23 April 2020.



## **INTERACTIVE ADVERTISING BUREAU**

**(A Non-Profit Association)**

**Dubai - United Arab Emirates**

### **Notes to the financial statements**

**For the period from 9 May 2019 to 31 March 2020**

#### **1. Association and purpose**

Interactive Advertising Bureau is registered with the Dubai Association Centre as a Non Profit Association. The Association obtained the license no: 231107 on 9 May 2019. The Association is located at Dubai, United Arab Emirates.

The primary purpose of Association as per license is to carry out seminars, workshops, conferences, meetings and training courses related to its activities and is subject to Dubai Association Centre by-laws and the provisions of the enforceable laws in UAE.

These financial statements relate to the accounts for the period from 9 May 2019 to 31 March 2020.

#### **2 Significant accounting policies**

##### **2.1 Statement of compliance**

The financial statements have been prepared in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board.

##### **2.2 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.

##### **2.3 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.



## INTERACTIVE ADVERTISING BUREAU

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### Notes to the financial statements

For the period from 9 May 2019 to 31 March 2020 *(continued)*

## 2 Significant accounting policies *(continued)*

### 2.3 Operating revenue *(continued)*

#### 2.3.1 *In-kind contributions*

Non-monetary contributions of goods and services are recorded at their fair values in the period received. Donated services are recorded at their fair values in the period 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.

## 2.4 Foreign currencies

### 2.4.1 *Functional and presentation currency*

The financial statements are presented in Arab Emirates Dirham (“AED”), which is the Association’s functional and presentation currency.

### 2.4.2 *Transactions and balances*

Foreign currency transactions are recorded at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are dealt with in the statement of functional expenses in the period in which they arise.





## **INTERACTIVE ADVERTISING BUREAU**

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### **Notes to the financial statements**

**For the period from 9 May 2019 to 31 March 2020 (continued)**

#### **2 Significant accounting policies (continued)**

##### **2.5 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.

##### **2.6 Operating lease**

Leases under which the substantial risk and rewards of ownership are retained by the lessor are classified as operating leases. Operating lease payments are recognized as an expense in the statement of functional expenses and on a straight-line basis over the lease term.

##### **2.7 Property, plant and equipment**

Property, plant and equipment are carried at cost less accumulated depreciation and any identified impairment loss or, if donated at fair value at the date of donation. The cost comprise of purchase price, together with any incidental expense of acquisition.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Association and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the statement of functional expenses during the financial period in which they are incurred.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight line method.

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



## INTERACTIVE ADVERTISING BUREAU

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### Notes to the financial statements

For the period from 9 May 2019 to 31 March 2020 *(continued)*

#### 2 Significant accounting policies *(continued)*

##### 2.7 Property, plant and equipment *(continued)*

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 recognised in profit or loss.

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

##### 2.8 Financial assets

###### 2.8.1 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, which are not restricted by donors for endowment or other long-term purposes.

###### 2.8.2 Accounts and other receivables

Accounts receivables originated by the Association are measured at cost. An allowance for credit losses of accounts receivables is established when there is objective evidence that the Association will not be able to collect the amounts due. Indicators that the accounts receivables are impaired include consistent default in the payments when due, financial difficulties of the members and other indicators.

When accounts receivables are considered uncollectible, it is written off against the allowance account for credit losses. Subsequent recoveries of amounts previously written off are credited in the statement of activities. The carrying value of accounts receivables approximates to their fair value due to the short term nature of those receivables.



## **INTERACTIVE ADVERTISING BUREAU**

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### **Notes to the financial statements**

**For the period from 9 May 2019 to 31 March 2020 (continued)**

## **2 Significant accounting policies (continued)**

### **2.9 Accounts and other payables**

Accounts payables are obligations on the basis of normal credit terms and do not bear interest. Accounts payables denominated in a foreign currency are translated into AED using the exchange rate at the reporting date. Foreign exchange gains or losses are included in other income or other expenses.

### **2.10 Impairment of financial assets**

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial asset have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through statement of functional expenses to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

## **3 Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Association's accounting policies, which are described in note 2 to the financial statements, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. 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.

## **INTERACTIVE ADVERTISING BUREAU**

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### **Notes to the financial statements**

**For the period from 9 May 2019 to 31 March 2020 (continued)**

### **3 Critical accounting judgements and key sources of estimation uncertainty (continued)**

#### **3.1 Key sources of estimation uncertainty**

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

##### **3.1.1 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 2020, since management considered all receivables to be collectible.



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**Notes to the financial statements**

**For the period from 9 May 2019 to 31 March 2020 (continued)**

	<b>AED</b>
<b>4 Accounts receivables</b>	
Accounts receivables	<u>206,486</u>

**Ageing of accounts receivables**

Less than 3 months	<u>206,486</u>
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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.

	<b>AED</b>
<b>5 Cash and bank balances</b>	
Cash at bank	<u>689,364</u>

**6 In-kind professional services**

Donated services are reported as contributions and expenses in amounts equal to their estimated fair value on the date of receipt.

**7 Fair value of financial instruments**

**Financial instruments**

Financial assets of the Association include cash and bank balances and accounts and other receivables and financial liabilities includes accounts and other payables.

**Credit risk**

Financial assets, which potentially expose the Association to concentration of credit risk, comprise principally of bank accounts and accounts receivables. The bank accounts are placed with banks with good credit ratings. A review of the recoverability of accounts receivables has been carried out as at the statement of financial position date and adequate provisions have been raised.





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**Notes to the financial statements**

**For the period from 9 May 2019 to 31 March 2020 (continued)**

**7 Fair value of financial instruments (continued)**

**Exchange 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.

**Liquidity risk**

The Association manages its liquidity risk by ensuring it has sufficient liquid cash balances to meet its payment obligations as they fall due.

**Interest rate risk**

The Association is not exposed to any interest rate risk.

**Fair value**

The management believes that the fair values of the financial assets and liabilities are not materially different from their carrying amounts at the statement of financial position date.

**8 Contingent liabilities and capital commitments**

Amounts received or receivable from grantors are subject to audit and adjustment by grantor. Any disallowed claims, including amounts already collected, may constitute a liability of Association. The amount, if any, of expenditures or use of grant funds received in advance which may be disallowed by the grantor cannot be determined at this time although Association expects such amounts, if any, to be immaterial.

**9 Comparative amounts**

This being the first period of operations, there are no comparative figures.

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