

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

**Independent auditor's report and
financial statements for the year
ended 31 March 2021**

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 2021, the statement of activities, statement of functional expenses and statement of cash flows for the year 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 2021, and its activities and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).




VSP Auditing Associates

Mr. Abdulaziz Abdulla Ibrahim A Alabdulla

Audit License No. 653

22 April 2021



Approved by the board on May 2, 2021 with 9 out of 14 votes.

INTERACTIVE ADVERTISING BUREAU
(A Non-Profit Association)
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Statement of financial position as at 31 March 2021

	Note	31.03.2021 AED	31.03.2020 AED
ASSETS			
Current assets			
Accounts and other receivables	4	361,723	226,486
Cash and bank balances	5	<u>768,686</u>	<u>689,364</u>
Total current assets		<u>1,130,409</u>	<u>915,850</u>
Total Assets		<u><u>1,130,409</u></u>	<u><u>915,850</u></u>
NET ASSETS AND LIABILITIES			
NET ASSETS			
Initial members' contribution		305,167	305,167
Retained earnings		<u>777,983</u>	<u>495,736</u>
Total Net Assets		<u>1,083,150</u>	<u>800,903</u>
Current liabilities			
Accounts and other payables	6	<u>47,259</u>	<u>114,947</u>
Total current liabilities		<u>47,259</u>	<u>114,947</u>
Total liabilities		<u>47,259</u>	<u>114,947</u>
Total Net Assets and Liabilities		<u><u>1,130,409</u></u>	<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 22 April 2021.

Manager

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INTERACTIVE ADVERTISING BUREAU
(A Non-Profit Association)
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Statement of activities
For the year ended 31 March 2021

	Note	For the year ended 31.03.2021 AED	For the period 09.05.2019 to 31.03.2020 AED
Initial members' contribution		<u>305,167</u>	<u>305,167</u>
Operating revenue			
In-kind contributions		69,561	320,196
Membership fees		<u>716,137</u>	<u>688,594</u>
		785,698	1,008,790
Operating costs		(69,561)	(320,196)
Supporting costs		(433,890)	(192,858)
		<u>282,247</u>	<u>495,736</u>
Net operating income for the year/period		<u>282,247</u>	<u>495,736</u>
Net Assets at the end of the year/period		<u><u>1,083,150</u></u>	<u><u>800,903</u></u>

The accompanying notes form an integral part of these financial statements.
 These financial statements were approved by the management on 22 April 2021.

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INTERACTIVE ADVERTISING BUREAU
(A Non-Profit Association)
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Statement of functional expenses
For the year ended 31 March 2021

	Note	Operating costs AED	Supporting costs AED	Total AED
In-kind professional services	7	69,561	-	69,561
Professional fees		-	371,500	371,500
License fees		-	27,380	27,380
Office expenses		-	21,881	21,881
Rent		-	10,000	10,000
Bank charges		-	3,129	3,129
Total costs		69,561	433,890	503,451

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INTERACTIVE ADVERTISING BUREAU
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Statement of cash flows

For the year ended 31 March 2021

	For the year ended 31.03.2021 AED	For the period 09.05.2019 to 31.03.2020 AED
Cash flows from operating activities		
Net operating income for the year/period	282,247	495,736
Changes in:		
Accounts and other receivables	(135,237)	(226,486)
Accounts and other payables	<u>(67,688)</u>	<u>114,947</u>
Net cash flows from operating activities	<u>79,322</u>	<u>384,197</u>
Cash flows from financing activities		
Initial members' contribution	-	<u>305,167</u>
Net cash flows from financing activities	<u>-</u>	<u>305,167</u>
Net increase in cash and cash equivalents	79,322	689,364
Cash and cash equivalents at the beginning of the year/period	<u>689,364</u>	-
Cash and cash equivalents at the end of the year/period	<u><u>768,686</u></u>	<u><u>689,364</u></u>
Cash and cash equivalents comprises of:		
Cash at bank	<u><u>768,686</u></u>	<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 22 April 2021.



INTERACTIVE ADVERTISING BUREAU

(A Non-Profit Association)

Dubai - United Arab Emirates

Notes to the financial statements

For the year ended 31 March 2021

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 1 April 2020 to 31 March 2021.

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.



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Notes to the financial statements

For the year ended 31 March 2021 *(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 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.

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 year, 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 year in which they arise.

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Notes to the financial statements

For the year ended 31 March 2021 *(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 year 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 year end, with the effect of any changes in estimate accounted for on a prospective basis.



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Notes to the financial statements

For the year ended 31 March 2021 *(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.

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Notes to the financial statements

For the year ended 31 March 2021 *(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 year. 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 year, 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 year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.



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Notes to the financial statements

For the year ended 31 March 2021 *(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 year that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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 2021, since management considered all receivables to be collectible.

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INTERACTIVE ADVERTISING BUREAU
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Notes to the financial statements

For the year ended 31 March 2021 (continued)

	31.03.2021	31.03.2020
	AED	AED
4 Accounts and other receivables		
Accounts receivables	268,093	206,486
Deposits	22,000	20,000
Prepayments	71,630	-
	<u>361,723</u>	<u>226,486</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.

	31.03.2021	31.03.2020
	AED	AED
5 Cash and bank balances		
Cash at bank	<u>768,686</u>	<u>689,364</u>
6 Accounts and other payables		
Accounts payables	35,000	14,456
Other payables	12,259	100,491
	<u>47,259</u>	<u>114,947</u>

7 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.

8 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.

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Notes to the financial statements
For the year ended 31 March 2021 (continued)

8 Fair value of financial instruments (continued)

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.

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.

9 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.

10 Comparative amounts

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

