In accordance with Regulation 32 of the Overseas Companies Regulations 2009

OS AA01

Statement of details of parent law and other information for an overseas company

Companies House

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A21 27/09/2019 #169
COMPANIES HOUSE

✓ **What this form is for**
You may use this form to accompany your accounts disclosed under parent law.

✗ **What this form is N**
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an alteration of man
with accounting req

Part 1 Corporate company name

→ **Filling in this form**
Please complete in typescript or in bold black capitals.

All fields are mandatory unless specified or indicated by *

❶ This is the name of the company in its home state.

Corporate name of overseas company ❶: ARK GROUP DMCC

UK establishment number: B R 0 2 0 7 2 3

Part 2 Statement of details of parent law and other information for an overseas company

A1 Legislation

Please give the legislation under which the accounts have been prepared and, if applicable, the legislation under which the accounts have been audited.

Legislation ❷: United Arab Emirates

❷ This means the relevant rules or legislation which regulates the preparation and, if applicable, the audit of accounts.

A2 Accounting principles

Accounts: Have the accounts been prepared in accordance with a set of generally accepted accounting principles?

Please tick the appropriate box.

☐ **No.** Go to **Section A3.**

☑ **Yes.** Please enter the name of the organisation or other body which issued those principles below, and then go to **Section A3.**

Name of organisation or body ❸: CROWE MAK - DUBAI / UAE

❸ Please insert the name of the appropriate accounting organisation or body.

A3 Accounts

Accounts: Have the accounts been audited? Please tick the appropriate box.

☐ **No.** Go to **Section A5.**

☑ **Yes.** Go to **Section A4.**

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Statement of details of parent law and other information for an overseas company

A4 Audited accounts

Audited accounts	Have the accounts been audited in accordance with a set of generally accepted auditing standards? Please tick the appropriate box. ☐ **No.** Go to **Part 3 'Signature'**. ☑ **Yes.** Please enter the name of the organisation or other body which issued those standards below, and then go to **Part 3 'Signature'**.	❶ Please insert the name of the appropriate accounting organisation or body
Name of organisation or body ❶	CROWE MAK - DUBAI / UAE	

A5 Unaudited accounts

Unaudited accounts	Is the company required to have its accounts audited? Please tick the appropriate box. ☐ **No.** ☑ **Yes.**

Part 3 Signature

I am signing this form on behalf of the overseas company.

Signature	Signature X X

This form may be signed by:
Director, Secretary, Permanent representative.

OS AA01

Statement of details of parent law and other information for an overseas company

Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name

Company name

Address

Post town

County/Region

Postcode

Country

DX

Telephone

Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and, if appropriate, the registered number, match the information held on the public Register.
- ☐ You have completed all sections of the form, if appropriate.
- ☐ You have signed the form.

Important information

Please note that all this information will appear on the public record.

Where to send

You may return this form to any Companies House address:

England and Wales:
The Registrar of Companies, Companies House, Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

Scotland:
The Registrar of Companies, Companies House, Fourth floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post).

Northern Ireland:
The Registrar of Companies, Companies House, Second Floor, The Linenhall, 32-38 Linenhall Street, Belfast, Northern Ireland, BT2 8BG.
DX 481 N.R. Belfast 1.

Further information

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk

ARK Group DMCC
Dubai Multi Commodities Centre
Dubai - United Arab Emirates

Auditor's report and financial statements
For the year ended December 31, 2018

ARK Group DMCC
Dubai Multi Commodities Centre
Dubai - United Arab Emirates

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ARK Group DMCC
Dubai Multi Commodities Centre
Dubai - United Arab Emirates

General information

Principal office address	Unit No. 3001 & 3002 Oaks Liwa Heights Plot No. JLT PH2 W3A Jumeirah Lakes Towers P.O. Box 337137 Dubai, United Arab Emirates T. +971 4 551 7560 Email: vee@arkgroupdmcc.com	
Website	www.arkgroupdmcc.com	
The Director	Name Mr. Alistair James Harris	Nationality British
The Auditor	Crowe Mak P.O. Box 93084 Dubai - United Arab Emirates	
The Main Banks	Byblos Bank SAL Bank Al Etihad FAB Bank RAK Bank	

Crowe

Crowe Mak (DMCC Branch)

Ref JV/B2239/Jun 2019

Independent auditor's report

To,
The Shareholder
ARK Group DMCC
Dubai Multi Commodities Centre
Dubai - United Arab Emirates

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of ARK Group DMCC Dubai Multi Commodities Centre Dubai - United Arab Emirates (Entity) which comprise the statement of financial position as at December 31 2018, and the statement of profit or loss and other comprehensive income statement of changes in equity statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies

In our opinion the accompanying financial statements present fairly, in all material respects the financial position of the Entity as at December 31 2018 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs)

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 requirements of Code of Ethics for Professional Accountants, issued by International Ethics Standards Board for Accountants IESBA together with ethical requirements that are relevant to our audit of the financial statements 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

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (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 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 management either intends to liquidate the Entity or to cease operations or has no realistic alternative but to do so

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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 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 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 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 Entity'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 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 management 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.

Report on other legal and regulatory requirements

As required by the Dubai Multi Commodities Centre (DMCC) Company Regulations 2003 as amended by DMCC Regulation No (1) of 2007, DMCC Regulation No (1) of 2009 and DMCC Regulation No (1) of 2013, we further confirm that:

1. We have obtained all the information and explanations which we considered necessary for our audit.

2. The financial statements have been prepared and comply, in all material respects, with the applicable provisions of the above mentioned law and the Memorandum and Articles of Association of the Entity.

3. Proper books of account have been maintained by the Entity.

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Report on other legal and regulatory requirements (continued)

4 The Entity has not made any investments in shares and stocks during the year ended December 31 2018

5 Note 7 to the financial statements reflects the disclosures relating to material related party transactions and the terms under which they were conducted

6 Based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Entity has contravened during the financial year ended December 31 2018 any of the applicable provisions of the Dubai Multi Commodities Centre (DMCC) Company Regulations 2003 as amended by DMCC Regulation No (1) of 2007 DMCC Regulation No (1) of 2009 and DMCC Regulation No (1) of 2013 and the Memorandum and Articles of Association of the Entity which would materially affect its activities or its financial position as of December 31 2018

For **Crowe Mak**

CA Nimish Makvana
Senior Partner
Regn No 605
Dubai - United Arab Emirates

June 24 2019

ARK Group DMCC
Dubai Multi Commodities Centre
Dubai - United Arab Emirates

Statement of financial position as at December 31, 2018
In United States Dollar

	Notes	2018	2017
Assets			
Non-current assets			
Property and equipment	4	**39,539**	45,069
Intangible assets	5	**13,141**	6,760
Investment in subsidiary	6	**13,613**	-
Total non-current assets		**66,293**	51,829
Current assets			
Accounts receivable	8	**1,385,712**	1,482 660
Advances, deposits and other receivables	9	**295,623**	222,502
Cash and bank balances	10	**421,214**	2 038,059
Total current assets		**2,102,549**	3,743,221
Total assets		**2,168,842**	3,795,050
Equity and liabilities			
Equity			
Share capital	11	**13,687**	13 687
Retained earnings	12	**701,894**	671 482
Shareholder's current account	13	**8,751**	15 110
Total equity		**724,332**	700 279
Non-current liabilities			
Employees' end of service benefits	14	**83,345**	53 429
Total non-current liabilities		**83,345**	53 429
Current liabilities			
Due to related parties	7	**221,741**	1 239 654
Accounts and other payables	15	**1,139,424**	1 801 688
Total current liabilities		**1,361,165**	3,041,342
Total liabilities		**1,444,510**	3 094 771
Total equity and liabilities		**2,168,842**	3 795 050

The accompanying notes form an integral part of these financial statements
The report of the auditor is set out on pages 2 to 4

The financial statements on pages 5 to 25 were approved on June 24 2019 and signed on behalf of the Entity by

Alistair James Harris
Director

ARK Group DMCC
Dubai Multi Commodities Centre
Dubai - United Arab Emirates

Statement of profit or loss and other comprehensive income for the year ended December 31, 2018
In United States Dollar

	Notes	2018	2017
Revenue	16	**18,863,480**	13,256,094
Cost of services	17	**(12,430,881)**	(7,874,617
Gross profit		**6,432,599**	5,381,477
Other income	18	**28,785**	11,904
Administrative expenses	19	**(5,975,577)**	(4,858,968
Net profit for the year		**485,807**	534,413
Other comprehensive income		-	-
Total comprehensive income for the year		**485,807**	534,413

The accompanying notes form an integral part of these financial statements
The report of the auditor is set out on pages 2 to 4

ARK Group DMCC
Dubai Multi Commodities Centre
Dubai - United Arab Emirates

Statement of changes in equity for the year ended December 31, 2018
In United States Dollar

	Share capital	Retained earnings	Shareholder's current account	Total equity
Balance as at December 31 2016	13 687	627 722	(57 534)	583 875
Profit for the year	-	534 413	-	534 413
Other comprehensive income	-	-	-	-
Total comprehensive income	-	534 413		534 413
Dividends	-	(490 653)	-	(490 653)
Net movements	-	-	72 644	72 644
Balance as at December 31 2017	13 687	671 482	15 110	700 279
Profit for the year	-	485 807	-	485 807
Other comprehensive income	-	-	-	-
Total comprehensive income	-	485 807	-	485 807
Dividends	-	(455 395)	-	(455 395)
Net movements	-	-	(6 359)	(6 359)
Balance as at December 31, 2018	**13.687**	**701,894**	**8,751**	**724,332**

The accompanying notes form an integral part of these financial statements
The report of the auditor is set out on pages 2 to 4

ARK Group DMCC
Dubai Multi Commodities Centre
Dubai - United Arab Emirates

Statement of cash flows for the year ended December 31, 2018
In United States Dollar

	Notes	2018	2017
Cash flows from operating activities			
Net profit for the year		**485,807**	534 413
Adjustments for			
Depreciation on property and equipment	4 & 19	**21,820**	16 051
Amortisation on intangible assets	5 & 19	**3,015**	2 080
Provision for employees' end of service benefits	14	**29,916**	67 943
		540,558	620 487
(Increase) / decrease in current assets			
Due from related party		**-**	63 037
Accounts receivable		**96,948**	(790 879)
Advances deposits and other receivables		**(73,121)**	(42 876)
(Decrease) / increase in current liabilities			
Due to related parties		**(1,017,913)**	821 460
Accounts and other payables		**(662,264)**	1 396 287
Cash (used in) / from operations		**(1,115,792)**	2 067 436
Employees' end of services benefits paid	14	**-**	69 124
Dividends paid	12	**(455,395)**	490 650
Net cash (used in) / from operating activities		**(1,571,187)**	1 507 719
Cash flows from investing activities			
Proceeds from sale of investments in subsidiaries		**(13,613)**	-
Purchase of property and equipment	4	**(16,290)**	41 044
Acquisition of intangible assets	5	**(9,396)**	-
Net cash (used in) investing activities		**(39,299)**	41 044
Cash flows from financing activities			
Shareholder's current account	13	**(6,359)**	72 644
Net cash (used in) / from financing activities		**(6,359)**	72 644
Net (decrease) / increase in cash and cash equivalents		**(1,616,845)**	1 539 319
Cash and cash equivalents beginning of the year		**2,038,059**	498 740
Cash and cash equivalents, end of the year		**421,214**	2 038 059

		2018	2017
Cash and cash equivalents			
Cash in hand		**119,517**	93 439
Cash at banks		**301,697**	1 944 620
		421,214	2 038 059

The accompanying notes form an integral part of these financial statements
The report of the auditor is set out on pages 2 to 4

ARK Group DMCC
Dubai Multi Commodities Centre
Dubai - United Arab Emirates

Notes to the financial statements for the year ended December 31, 2018

1 Legal status and business activities

1.1 ARK Group DMCC, Dubai Multi Commodities Centre, Dubai, United Arab Emirates (the "Entity") was incorporated on January 14, 2015 as a Free Zone Company with limited liability and operates in the United Arab Emirates under a service license issued by the Dubai Multi Commodities Centre Authority (DMCC), Government of Dubai.

1.2 The principal activity of the Entity is to provide management consultancy services.

1.3 The registered office of the Entity is located at Unit No. 3001 & 3002, Oaks Liwa Heights, Plot No. JLT-PH2-W3A, P.O. Box 337137, Jumeirah Lakes Towers, Dubai, United Arab Emirates.

1.4 The management and control are vested with Mr. Alistair James Harris, Director, British national.

1.5 These financial statements incorporate the operating results of the service license no. DMCC-096336.

2 New standards and amendments

2.1 New standards and amendments - applicable January 1, 2018

The following standards and amendments apply for the first time to the financial reporting periods commencing on or after January 1, 2018:

IFRS 9 Financial Instruments and associated amendments to various other standards

IFRS 15 Revenue from contracts with customer and associated amendments to various other standards

Classification and Measurement of Share-based Payment Transactions – Amendments to IFRS 2

Annual Improvements 2014-2016 cycle

Transfers of Investment Property – Amendments to IAS 40

Interpretation 22 Foreign Currency Transactions and Advance Consideration

2.2 New standards and amendments issued but not effective for the current annual period

The following standards and interpretations had been issued were not mandatory for annual reporting periods ending December 31, 2018:

Description	Effective for annual periods beginning on or after
IFRS 16 - Leases	January 1, 2019 Earlier adoption permitted if IFRS 15 Revenue from Contracts with Customers has also been applied
Amendments to IFRS 9 – Prepayment Features with Negative Compensation	January 1, 2019
Amendments to IAS 28 – Long-term Interests in Associates and Joint Ventures	January 1, 2019
Annual Improvements to IFRS Standards 2015-2017 Cycle	January 1, 2019
Amendments to IAS 19 – Plan Amendment, Curtailment or Settlement	January 1, 2019
IFRS 17 - Insurance Contracts	January 1, 2021

Management anticipates that these new standards, interpretations and amendments will be adopted in the financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, may have no material impact on the financial statements in the period of initial application.

2 New standards and amendments (continued)

2.3 Impact of standards adopted in 2018

2.3.1 IFRS 15 Revenue from Contract with Customers

The effect of adoption of IFRS 15 on the statement of financial position and retained earnings is not material

2.3.2 IFRS 9 Financial Instruments

The Entity adopted IFRS 9 Financial Instruments from January 1 2018 The effect of adoption of IFRS 9 on the statement of financial position and retained earnings is not material

2.4 Impact of standards issued but not yet applicable

2.4.1 IFRS 16 Leases

IFRS 16 was issued in January 2016 and will supersede IAS 17 Leases It will result in almost all leases being recognised on the statement of financial position as the distinction between operating and finance lease is removed for leases Under the new standard both an asset (the right to use the leased item) and a financial liability to pay rentals are recognised The only exceptions are short-term and low value leases

The standard is mandatory for financial years commencing on or after January 1 2019 The Entity has decided not to adopt the standard before its effective date

The standard will affect primarily the accounting for the Entity's operating lease At the reporting date the Entity has no non-cancellable operating lease commitments

3 Significant accounting policies

3.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards and applicable provisions of the relevant law The financial statements are presented in United States Dollar (USD) as compared to United Arab Emirates Dirham (AED) which is the currency of the country in which the Entity is domiciled The financial statements are prepared in USD as this currency reflects the primary economic environment in which the Entity operates which will allow the users to have better understanding of these financial statements

3.2 Basis of preparation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values as explained in the accounting policies below

Historical cost is generally based on the fair value of the consideration given in exchange for assets or goods or services

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 is current when it is

Expected to be realised or intended to be 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 Significant accounting policies (continued)

3.4 Foreign currency

The 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. The non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

3.5 Property and equipment

Property 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 during the financial period in which they are incurred.

Depreciation is spread over its useful lives so as to write off the cost of property and equipment using the straight-line method over its useful lives as follows:

	Years
Office equipment	4
Furniture and fixtures	1 - 4

When part of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

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 and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit or loss.

3.6 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Computer software

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 3 years.

3.7 Impairment of tangible and intangible assets

At the end of each reporting period, the Entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

3 Significant accounting policies (continued)

3.7 Impairment of tangible and intangible assets (continued)

Where it is not possible to estimate the recoverable amount of an individual asset, the Entity estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit or loss.

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 recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit or loss.

3.8 Financial instruments

Financial assets and financial liabilities are recognised when the Entity becomes a party to the contractual provisions of the instrument.

3.9 Financial assets

Classification

The **Entity** classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI "FVTOCI" or through profit or loss "FVTPL"), and
- those to be measured at amortised cost.

The classification depends on the Entity's business model for managing the financial assets and the contractual terms of the cash flows.

Financial assets comprise of accounts receivable, other financial assets and cash and cash equivalents.

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.

3 Significant accounting policies (continued)

3.9 Financial assets (continued)

Receivables

Receivable balances that are held to collect are subsequently measured at the lower of amortized cost or the present value of estimated future cash flows. The present value of estimated future cash flows is determined through the use of value adjustments for uncollectable amounts. The Entity assesses on a forward-looking basis the expected credit losses associated with its receivables and adjusts the value to the expected collectible amounts.

Receivables are written off when they are deemed uncollectible because of bankruptcy or other forms of receivership of the debtors. The assessment of expected credit losses on receivables takes into account credit-risk concentration, collective debt risk based on average historical losses, specific circumstances such as serious adverse economic conditions in a specific country or region and other forward-looking information.

For accounts receivables and deposits and other receivables, the Entity applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Derecognition of financial assets

The Entity derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Entity neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Entity recognises its retained interest in the asset and an associated liability for the amounts it may have to pay. If the Entity retains substantially all the risks and rewards of ownership of a transferred financial asset, the Entity continues to recognise the financial asset.

3.10 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability. All financial liabilities are recognised initially at fair value and, in the case of loans, borrowings and payables, net of directly attributable transaction costs. The Entity's financial liabilities include accounts and other payables and due to related parties.

Accounts and other payables

Accounts payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts and other payables 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.

Due to related parties

Amounts due to related parties are stated at amortised cost.

Derecognition of financial liabilities

The Entity derecognises financial liabilities when, and only when, the Entity's obligations are discharged, cancelled or they expire. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

3 Significant accounting policies (continued)

3.11 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position, when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously

3.12 Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period taking into account the risks and uncertainties surrounding the obligation When 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 some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably

3.13 Revenue recognition

Revenue from the provision of services in normal course of business is recognised at over time when the performance obligation is satisfied and is based on the amount of the transaction price that is allocated to the performance obligation The transaction price is the amount of consideration to which the Entity expects to be entitled in exchange for transferring promised services to the customer

Revenue is recorded net of value added tax (VAT) A variable consideration is recognised to the extent it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved

Management consultancies

Revenue from management consultancies include designing monitoring and evaluating projects funded by governments of various countries to improve social stability of communities in the conflict areas Revenues are recognised with reference to allocation of consideration to a specific performance obligation of the projects The performance obligation is satisfied over time when underlying services are provided to the client

3.14 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee All other leases are classified as operating leases

An Entity as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred

In the event that lease incentives are received to enter into operating leases such incentives are recognised as a liability The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed

3 *Significant accounting policies (continued)*

3.15 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Entity's accounting policies, which are described in policy notes, the management are 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.

The significant judgments and estimates made by management, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below.

Critical judgements in applying accounting policies

In the process of applying the Entity's accounting policies, which are described above, and due to the nature of operations, management makes the following judgment that has the most significant effect on the amounts recognised in the financial statements.

Determining the timing of satisfaction of performance obligations - revenue recognition

In making judgement, the Entity considers the detailed criteria for the recognition of revenue set out in IFRS 15, and in particular whether the Entity has rendered services to the client. The management is satisfied that revenue is recognised when services are rendered and revenue for the year is appropriate.

Business model assessment - classification and measurement of financial statements

Classification and measurement of financial assets depends on the results of business model test. The Entity determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective.

Key sources of estimation uncertainty

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

Useful lives of property and equipment

Property and equipment is depreciated over its estimated useful life, which is based on expected usage of the asset and expected physical wear and tear which depends on operational factors. The management has not considered any residual value as it is deemed immaterial.

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4 Property and equipment

	Office equipment	Furniture and fixtures	Total
Cost			
As at December 31 2016	12 547	67,454	80,001
Additions during the year	28 130	12 914	41 044
As at December 31 2017	40 677	80 368	121 045
Additions during the year	15 451	839	16 290
As at December 31, 2018	**56,128**	**81,207**	**137,335**
Accumulated depreciation			
As at December 31 2016	4 342	55 583	59 925
Charge for the year	8 835	7,216	16 051
As at December 31 2017	13 177	62 799	75 976
Charge for the year	13 572	8 248	21 820
As at December 31, 2018	**26,749**	**71,047**	**97,796**
Carrying value as at December 31, 2018	**29,379**	**10,160**	**39,539**
Carrying value as at December 31 2017	27 500	17 569	45 069

In United States Dollar

5 Intangible assets

The carrying values of the intangible assets is as follows	**2018**	2017
Computer software	**13,141**	6,760
	13,141	6,760

	Computer software	Total
Cost		
As at December 31, 2016	10,400	10,400
As at December 31, 2017	10,400	10,400
Additions during the year	9,396	9,396
As at December 31, 2018	**19,796**	**19,796**
Accumulated amortisation		
As at December 31, 2016	1,560	1,560
Amortisation for the year	2,080	2,080
As at December 31, 2017	3,640	3,640
Amortisation for the year	3,015	3,015
As at December 31, 2018	**6,655**	**6,655**
Carrying value as at December 31, 2018	**13,141**	**13,141**
Carrying value as at December 31, 2017	6,760	6,760

The above computer software are amortised over their estimated useful lives of 5 years

6 Investment in subsidiary

	Percentage of ownership interest			
	2018	2017	**2018**	2017
The Stabilisation Network DMCC	100%	0%	**13,613**	-
			13,613	-

The principal activity of The Stabilisation Network DMCC is providing management consultancy services

7 Related party transactions

The Entity enters into transactions with other entities that fall within the definition of a related party as contained in IAS 24 related party disclosures. Such transactions are in the normal course of business and at terms that correspond to those on normal arms-length transactions with third parties except for investment made in subsidiary (Note 6). Related parties comprise entities under common ownership and/or common management and control, their partners and key management personnel.

The management decides on the terms and conditions of the transactions and services received / [illegible] from / to related parties as well as other charges if applicable.

a) Due to related parties

	2018	2017
PPM Arastirma Hizmetleri Ltd. Turkey (group entity)	-	56,606
The Stabilisation Network DMCC, Dubai (U.A.E.) (group entity)	**221,741**	1,183,048
	221,741	1,239,654

In United States Dollar

7 Related party transactions (continued)

b) Transactions with related party

The nature of significant related party transactions and the amounts involved were as follows

	For the year ended December 31,	
	2018	2017
Management fee	-	427 505

c) Key management personnel compensations

The compensation of key management personnel is as follows

Director's remuneration (Note 19)	**246,422**	274 413
	246,422	274 413

8 Accounts receivable

Accounts receivable	**1,385,712**	1 482 660
	1,385,712	1 482 660

The average credit period for the accounts receivable is 30 days (2017 30 days)

Of the accounts receivable as at December 31 2018 there are 3 customers (2017 3 customers) which represent 100% (2017 100%) of the total receivables However subsequent to the reporting date USD 1 040 335 of accounts receivable were received

Ageing of receivables that are neither past due nor impaired

1-30 days	**1,048,230**	1 391 439
	1,048,230	1 391 439

Ageing of receivables that are past due but not impaired

31-60 days	**167,742**	91 221
61-90 days	**169,740**	
	337,482	91 221

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 Included in the Entity's accounts receivable are debtors with a carrying amount of USD 337 482 (2017 USD 91 221) which are past due at the reporting date for which the Entity has not provided for as there has not been a significant change in the credit quality Accordingly the management believes that there is no credit allowance required for doubtful debts Management believes that the impairment of accounts receivable is very unlikely as majority of the outstanding accounts receivable as at December 31 2018 have already been recovered subsequently on timely basis without any balance converted into bad debt

Geographical analysis

The geographical analysis of accounts receivable is as follows

Outside U A E	**1,385,712**	1 482 660
	1,385,712	1 482 660

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9 Advances, deposits and other receivables

	2018	2017
Prepayments	**193,007**	191,795
Accrued income	**57,576**	
Labour deposits	**8,167**	6,509
Deposits	**18,936**	15,311
Other advances	**11,509**	8,857
VAT receivable-net	**6,428**	
	295,623	222,502

10 Cash and bank balances

	2018	2017
Cash in hand	**119,517**	93,439
Cash at banks	**301,697**	1,944,620
	421,214	2,038,059

Management has concluded that the expected credit loss (ECL) for all bank balances is immaterial as these balances are held with banks whose credit risk rating by international rating agencies have been assessed as low.

11 Share capital

Authorised, issued and paid up capital of the Entity is USD 13,687 (equivalent to AED 50,000) divided into 10 shares of USD 1,369 (equivalent to AED 5,000) each fully paid.

The details of the shareholding as at reporting date are as follows:

Name of Shareholder	Nationality	Percentage	No. of shares	2018	2017
Alistair James Harris	British	100%	10	**13,687**	13,687
		100%	10	**13,687**	13,687

12 Retained earnings

	2018	2017
Balance at the beginning of the year	**671,482**	627,712
Profit for the year	**485,807**	534,403
Dividends paid	**(455,395)**	(490,633)
Balance at the end of the year	**701,894**	671,482

13 Shareholder's current account (M/s Alistair James Harris)

	2018	2017
Balance at the beginning of the year	**15,110**	87,754
Net movements during the year	**(6,359)**	(72,644)
Balance at the end of the year	**8,751**	15,110

14 Employees' end of service benefits

	2018	2017
Balance at the beginning of the year	**53,429**	54,610
Add: Charge for the year	**29,916**	27,923
Less: Paid during the year	**-**	(29,104)
Balance at the end of the year	**83,345**	53,429

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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15 Accounts and other payables	**2018**	2017
Accounts payable	**1,012,052**	1,314,297
Accruals for expenses	**113,234**	233,314
Salaries and reimbursements	-	245,342
Advance from customers	**1,185**	-
Other payables	**12,953**	8,735
	1,139,424	1,801,688

	For the year ended December 31,	
16 Revenue	**2018**	2017
Revenue	**18,863,480**	13,256,094
	18,863,480	13,256,094

16.1 Disaggregated revenue information

Set out below is the disaggregation of the Entity's revenue from contracts with customers

Segments		
Type of services		
Management consultancy	**18,863,480**	13,256,094
Total revenue from contracts with customers	**18,863,480**	13,256,094
Geographical markets		
Within U A E	-	387,433
Outside U A E	**18,863,480**	12,868,661
Total revenue from contracts with customers	**18,863,480**	13,256,094
Timing of revenue recognition		
Services transferred at over time	**18,863,480**	13,256,094
Total revenue from contracts with customers	**18,863,480**	13,256,094

16.2 Performance obligations

Information about the Entity's performance obligations are summarized below

Management consultancies

Revenue from management consultancies include designing monitoring and evaluating projects funded by governments of various countries to improve social stability of communities in the conflict areas. Revenues are recognised with reference to allocation of consideration to a specific performance obligation of the projects. The performance obligation is satisfied over time when underlying services are provided to the client

17 Cost of services		
Professional and consultancy fees	**6,301,078**	4,295,593
Other direct cost	**6,129,803**	3,579,024
	12,430,881	7,874,617

18 Other income		
Others	**28,785**	11,904
	28,785	11,904

In United States Dollar

19 Administrative expenses	For the year ended December 31,	
	2018	2017
Salaries and related benefits	**3,631,088**	3,155,896
Director's remuneration (Note 7c)	**246,422**	274,413
Rent	**219,298**	215,944
Travelling and entertainment	**256,438**	225,942
Legal, visa and professional	**183,940**	405,5[illegible]1
Telephone and communications	**208,846**	141,[illegible]1
Depreciation on property and equipment (Note 4)	**21,820**	16,061
Amortisation on intangible assets (Note 5)	**3,015**	2,080
Building administration and maintenance	**182,004**	52,296
Insurance	**41,579**	38,067
Supplies	**70,596**	39,[illegible]4
Bank charges	**147,977**	65,128
Foreign exchange loss - net	**570,822**	94,442
Others	**191,732**	141,633
	5,975,577	4,858,[illegible]

In United States Dollar

20 Financial instruments

a) Significant accounting policies

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial assets and financial liabilities are disclosed in note 3 to the financial statements

b) Fair value of financial assets and financial liabilities that are not measured at fair value on recurring basis

	As at December 31		As at December 31	
	2018	2017	**2018**	2017
Financial assets	Carrying amount		Fair value	
Accounts receivable	**1,385,712**	1 482,660	**1,385,712**	1 482 660
Deposits	**27,103**	21 850	**27,103**	21 850
Cash and bank balances	**421,214**	2 038 059	**421,214**	2 038 059
	1,834,029	3 542 569	**1,834,029**	3 542 569
Financial liabilities				
Due to related parties	**221,741**	1 239 654	**221,741**	1 239 654
Accounts and other payables	**1,138,239**	1 801 688	**1,138,239**	1 801 688
	1,359,980	3 041 342	**1,359,980**	3 041 342

Financial instruments comprise of financial assets and financial liabilities

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between knowledgeable and willing parties

Financial assets consist of accounts receivable deposits and cash and bank balances Financial liabilities consist of due to related parties and accounts and other payables

As at reporting date, financial assets and financial liabilities approximates their carrying values

21 Financial risk management objectives

The Entity's management sets out the Entity's overall business strategies and its risk management philosophy The Entity's overall financial risk management program seeks to minimize potential adverse effects on the financial performance of the Entity The Entity's policies include financial risk management policies covering specific areas such as market risk (including foreign exchange risk interest rate risk), liquidity risk and credit risk Periodic reviews are undertaken to ensure that the Entity's policy guidelines are complied with

There has been no change to the Entity's exposure to these financial risks or the manner in which it manages and measures the risk

The Entity is exposed to the following risks related to financial instruments The Entity has not framed formal risk management policies however the risks are monitored by management on a continuous basis The Entity does not enter into or trade in financial instruments investment in securities including derivative financial instruments for speculative or risk management purposes

a) Foreign currency risk management

The Entity undertakes certain transactions denominated in foreign currencies Hence exposures to exchange rate fluctuations arise

In United States Dollar

21 Financial risk management objectives (continued)

a) Foreign currency risk management (continued)

The carrying amounts of the Entity's monetary assets and liabilities denominated in foreign currencies other than in Arab Emirates Dirham or currencies to which the Dirham is fixed are as follows

	Assets	
	2018	2017
Jordanian Dinar	**21,057**	[illegible]
Turkish Lira	-	[illegible]
British Pound	**175,756**	[illegible]
Lebanese Pound	**486**	[illegible]
Euro	-	[illegible]

The following table details the Entity's sensitivity to a 10% increase or decrease in the functional currency against the relevant foreign currencies. 10% is the sensitivity rate used for reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonable possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive or negative number below indicates an increase or decrease in profit or loss where the functional currency weakens 10% against the relevant currency. For a 10% strengthening of the functional currency against the relevant currency, there would be an equal and opposite impact on the profit or loss and the balances below would be negative

	Profit or loss	
	2018	2017
Jordanian Dinar	**2,106**	[illegible]
Turkish Lira	-	[illegible]
British Pound	**17,576**	[illegible]
Lebanese Pound	**49**	[illegible]
Euro	-	[illegible]

b) Interest rate risk management

As at the reporting date there is no significant interest rate risk as there are no borrowings at year end

c) Liquidity risk management

Ultimate responsibility for liquidity risk management rest with the management which has built an appropriate liquidity risk management framework for the management of the Entity's short, medium and long-term funding and liquidity management requirements. The Entity manages liquidity risk by maintaining adequate reserves, continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities

The Entity has access to interest free loans from its shareholder at its disposal to further reduce liquidity risk

Liquidity and interest risk tables

The table on the next page summarises the maturity profile of the Entity's financial assets and financial liabilities. The contractual maturities of the financial assets and financial liabilities have been determined on the basis of the remaining period at the statement of financial position date to the contractual maturity date. The maturity profile of the assets and liabilities at the statement of financial position date based on contractual repayment arrangements were as follows on the next page

In United States Dollar

21 Financial risk management objectives (continued)

c) Liquidity risk management (continued)

Particulars	Interest bearing			Non-Interest bearing			Total
	On demand or less than 3 months	Within 1 year	More than 1 year	On demand or less than 3 months	Within 1 year	More than 1 year	
	As at December 31, 2018						
Financial assets							
Accounts receivable	-	-	-	-	1 385 712	-	1 385 712
Deposits	-	-		-	27 103	-	27 103
Cash and bank balances	-			421 214	-	-	421 214
	-			421 214	1 412 815		1 834 029
Financial liabilities							
Due to related parties	-		-	-	221 741		221 741
Accounts and other payables	-			-	1 138,239	-	1 138 239
	-		-	-	1 359 980	-	1 359 980
	As at December 31 2017						
Financial assets							
Accounts receivable	-				1 482 660		1 482 660
Deposits				-	21 850		21 850
Cash and bank balances	-		-	2 038 059	-	-	2 038 059
		-		2 038 059	1,504 510	-	3 542 569
Financial liabilities							
Due to related parties	-	-	-	-	1 239 654		1 239 654
Accounts and other payables	-			-	1 801,688		1 801 688
	-	-	-		3 041,342	-	3 041 342

d) Credit risk management

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Entity The Entity has adopted a policy of only dealing with creditworthy counterparties The Entity's exposure are continuously monitored and their credit exposure is reviewed by the management regularly

Ongoing credit evaluation is performed on the financial condition of accounts receivable Further details of credit risks on accounts and other receivables are disclosed in Note 8 and 9 to the financial statements

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies

The carrying amounts of the financial assets recorded in the financial statements represents the Entity's maximum exposure to credit risks

22 Capital risk management

The Entity manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to the stakeholders through the optimization of the equity balance The Entity's overall strategy remains unchanged from prior year

The Entity monitors capital on the basis of the gearing ratio The ratio is calculated as net debt divided by equity Net debt is calculated as total liabilities less cash and cash equivalents Total capital is equivalent to shareholders equity as shown in the statement of financial position

In United States Dollar

22 Capital risk management (continued)

Gearing ratio

The gearing ratio at the year end is as follows

	As at December 31,	
	2018	2017
Debt (i)	**1,444,510**	3,094,771
Cash and cash equivalents	**(421,214)**	(2,038,059)
Net debt	**1,023,296**	1,056,712
Equity (ii)	**724,332**	700,279
Net debt to equity ratio	**1.41**	1.51

i) Debt is defined as total liabilities

ii) Equity includes all share capital, retained earnings and shareholder's current account

23 Contingent liabilities and commitments

	As at December 31,	
	2018	2017
Letter of guarantee	**18,936**	[illegible]

Except for the above and ongoing business obligations which are under normal course of business, there has been no other known contingent liability and commitment on Entity's financial statements as of reporting date