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In accordance with Regulation 32 of the Overseas Companies Regulations 2009.

DON'T STAPLE

OS AA01

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

Companies House

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

✗ **What this form is NOT**
You cannot use this forn an alteration of manner with accounting requirei

MONDAY

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A07 09/08/2021 #168
COMPANIES HOUSE

Part 1 Corporate company name

Corporate name of overseas company ❶	ARK GROUP DMCC
UK establishment number	B R 0 2 0 7 2 3

→ **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.

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 audited.

Legislation ❷	UNITED ARAB EMIRATES

❷ This means the relevant rules or legislation which regulates the preparation 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 (DMCC BRANCH) - DUBAI, UAE

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

A3 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 (DMCC BRANCH) - DUBAI, UAE	

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

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.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

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

ARK Group DMCC

Dubai Multi Commodities Centre
Dubai, United Arab Emirates

Independent auditor's report and Separate financial statements
For the year ended 31 December 2020

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. 3307-3, Mazaya Business Avenue, BB1, Plot No. JLTE-PH2-BB1, Jumeirah Lakes Towers P.O. Box: 211860 Dubai, United Arab Emirates T: +971 4 551 7560
Website:	www.arkgroupdmcc.com
The Director:	Mr. Alistair James Harris
The Auditor:	Crowe Mak P O Box: 93084 Dubai, United Arab Emirates
The Banks:	Byblos Bank SAL Bank Al Etihad First Abu Dhabi Bank RAK Bank

Crowe

Crowe Mak
DMCC Branch
كــرو مــاك
فرع د.م.س.س
DMCC Business Centre
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P O Box 93084, Dubai -UAE
T: + 971 4 453 9505
dmcc@crowe.ae
www.crowe.ae

Ref: JB/B2239/APR 2021

Independent auditor's report

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

Report on the Audit of the Separate Financial Statements

Opinion

We have audited the accompanying separate financial statements of ARK Group DMCC (the Entity), which comprise the separate statement of financial position as at 31 December 2020 and the separate statement of profit or loss and other comprehensive income, separate statement of changes in equity, separate statement of cash flows for the year then ended, and notes to the separate financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the financial position of the Entity as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with the 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 Separate 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 separate 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 and Those Charged with Governance for the Separate Financial Statements

Management is responsible for the preparation and fair presentation of these separate 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 separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate 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.

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

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Independent auditor's report (continued)

To the Shareholder of ARK Group DMCC
Report on the Audit of Separate Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to error or fraud, 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate 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 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 separate 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 separate 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.

Report on Other Legal and Regulatory Requirements

We confirm, the separate financial statements have been prepared and comply in all material respects with the applicable provisions of DMCC Companies Regulations 2020. Further, as required by Section 77.2 of the Dubai Multi Commodities Centre Authority Regulations 2020, we report that:

Independent auditor's report (continued)

To the Shareholder of ARK Group DMCC
Report on the Audit of Separate Financial Statements (continued)

Based on the information that has been made available to us during our audit of these separate financial statements, nothing has come to our attention which causes us to believe that the activity undertaken by the Entity and as disclosed in Note 1 to these separate financial statements, is different from the activity approved under the service license issued by DMCC Authority to the Entity.

Crowe Mak

Nimish Makvana
Senior Partner
Registered Auditor Number: 605

Dubai, United Arab Emirates
24 April 2021

P.O.Box: 93084
DUBAI - U.A.E.
CROWE MAK (DMCC Branch)

ARK Group DMCC
Dubai Multi Commodities Centre
Dubai - United Arab Emirates
Separate Statement of financial position as at 31 December 2020

	Notes	2020 USD	2019 USD
ASSETS			
Non-current assets			
Property, plant and equipment	5	**8,719**	23,353
Intangible assets	6	**591**	10,033
Investment in subsidiary	7	**13,613**	13,613
Total non-current assets		**22,923**	46,999
Current assets			
Trade and other receivables	8	**1,252,933**	216,817
Due from a related party	9	**57,629**	-
Other financial assets	10	**206,150**	203,793
Cash and cash equivalents	11	**83,180**	479,734
Total current assets		**1,599,892**	900,344
Total assets		**1,622,815**	947,343
EQUITY AND LIABILITIES			
Equity			
Share capital	12	**13,687**	13,687
Retained earnings / (accumulated losses)		**2,664**	(674,596)
Total equity/(deficit)		**16,351**	(660,909)
LIABILITIES			
Non-current liabilities			
Employees' end of service benefits	14	**56,279**	42,204
Total non-current liabilities		**56,279**	42,204
Current liabilities			
Due to a related party	9	**234,127**	752,984
Trade and other payables	15	**1,316,058**	813,064
Total current liabilities		**1,550,185**	1,566,048
Total liabilities		**1,606,464**	1,608,252
Total equity and liabilities		**1,622,815**	947,343

The separate financial statements set out on pages 5 to 35, which have been prepared on the going concern basis were approved by the Director on the date of these separate financial statements and signed on behalf of the Entity by:

Mr. Alistair James Harris
Director

24 April 2021

The accompanying notes and policies form an integral part of these separate 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
Separate Statement of profit or loss and other comprehensive income for the year ended 31 December 2020

	Notes	2020 USD	2019 USD
Revenue	16	**5,406,321**	7,602,946
Direct expenses	17	**(2,925,356)**	(4,797,523)
Gross profit		**2,480,965**	2,805,423
General and administrative expenses	20	**(2,416,806)**	(4,069,455)
Operating profit/(loss)		**64,159**	(1,264,032)
Dividend income	18	**948,000**	58,200
Other income	19	**5,101**	12,723
Net profit/(loss) for the year		**1,017,260**	(1,193,109)
Other comprehensive income for the year		**-**	-
Total comprehensive income/(loss) for the year		**1,017,260**	(1,193,109)

The accompanying notes and policies form an integral part of these separate 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
Separate Statement of changes in equity for the year ended 31 December 2020

	Notes	Share capital	Retained earnings / (accumulated losses)	Total
		USD	USD	USD
As at 1 January 2019		13,687	701,894	715,581
Loss for the year		-	(1,193,109)	(1,193,109)
Total comprehensive loss for the year		-	(1,193,109)	(1,193,109)
Dividends	13	-	(183,381)	(183,381)
As at 31 December 2019		13,687	(674,596)	(660,909)
Profit for the year		-	1,017,260	1,017,260
Total comprehensive income for the year		-	1,017,260	1,017,260
Dividends	13	-	(340,000)	(340,000)
As at 31 December 2020		**13,687**	**2,664**	**16,351**

The accompanying notes and policies form an integral part of these separate 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
Separate Statement of cash flows for the year ended 31 December 2020

	Notes	2020 USD	2019 USD
Cash flows from operating activities			
Profit/(Loss) for the year		**1,017,260**	(1,193,109)
Adjustments for:			
Depreciation of property, plant and equipment	5	**12,104**	23,933
Amortisation of intangible assets	6	**4,059**	4,110
Employees' end of service benefits	14	**14,075**	22,365
Loss on disposal of intangible assets	20	**5,383**	-
Loss on disposal of property, plant and equipment	20	**2,530**	-
Operating cash flows before changes in operating assets and liabilities		**1,055,411**	(1,142,701)
(Increase)/decrease in trade and other receivables	8	**(1,036,116)**	1,260,725
(Increase) in due from a related party	9	**(57,629)**	(8,751)
(Decrease)/increase in due to a related party	9	**(518,857)**	531,243
(Increase) in other financial assets	10	**(2,357)**	-
Increase/(decrease) in trade and other payables	15	**502,994**	(326,360)
Employees' end of service indemnity paid	14	**-**	(63,506)
Net cash (used in)/generated from operating activities		**(56,554)**	250,650
Cash flows from investing activities			
Purchase of property, plant and equipment	5	**-**	(7,747)
Purchase of intangible assets	6	**-**	(1,002)
Net cash generated from/(used in) investing activities		**-**	(8,749)
Cash flows from financing activities			
Dividend paid to Shareholder of the Entity	13	**(340,000)**	(183,381)
Net cash used in financing activities		**(340,000)**	(183,381)
Net (decrease)/increase in cash and cash equivalents		**(396,554)**	58,520
Cash and cash equivalents at the beginning of the year		**479,734**	421,214
Cash and cash equivalents at the end of the year	11	**83,180**	479,734
Non-cash transactions			
Dividend income		**948,000**	58,200
Due to a related party		**(948,000)**	(58,200)
		-	-

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

1 Legal status and business activities

ARK Group DMCC (the Entity) was incorporated on 21 December 2014. It operates in the United Arab Emirates under a license issued by Dubai Multi Commodities Centre under the registration number DMCC23550.

The registered office of the Entity is located at Unit No. 3307-3, Mazaya Business Avenue BB1, Plot No. JLTE-PH2-BB1, Jumeirah Lakes Towers, P.O. Box 211860, Dubai, United Arab Emirates.

The principal activity of the Entity consists of management consultancies and management services.

The management and control are vested with Director.

These separate financial statements incorporate the operating results of the service license no. DMCC-096336 issued on 14 January 2015.

2 Application of new and revised International Financial Reporting Standards (IFRSs)

2.1 New and amended IFRS Standards that are effective for the current year

Impact of the initial application of other new and amended IFRS Standards that are effective for the current year

In the current year, the Entity has applied a number of amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board (IASB) that are effective for an annual period that begins on or after 1 January 2020.

Their adoption has not had any material impact on the disclosures or on the amounts reported in these separate financial statements.

New and revised IFRSs	*Effective for annual periods beginning on or after*
Amendments to References to the Conceptual Framework in IFRS Standards	1 January 2020
The Entity has adopted the amendments included in Amendments to References to the Conceptual Framework in IFRS Standards for the first time in the current year. The amendments include consequential amendments to affected Standards so that they refer to the new framework. Not all amendments, however, update those pronouncements with regard to references to and quotes from the Framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASC Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework. The Standards which are amended are IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32.	
Amendments to IFRS 3 Definition of a business	1 January 2020
The Entity has adopted the amendments to IFRS 3 for the first time in the current year. The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business an acquired set of activities and assets must include, at a minimum, an input and a	

2 Application of new and revised International Financial Reporting Standards (IFRSs) (continued)

2.1 New and amended IFRS Standards that are effective for the current year (continued)

New and revised IFRSs	*Effective for annual periods beginning on or after*
substantive process that together significantly contribute to the ability to create outputs. The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. The amendments also introduce additional guidance that helps to determine whether a substantive process has been acquired. The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after 1 January 2020.	
Amendments to IAS 1 and IAS 8 Definition of material The Entity has adopted the amendments to IAS 1 and IAS 8 for the first time in the current year. The amendments make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of obscuring' material information with immaterial information has been included as part of the new definition. The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of 'material' or refer to the term 'material' to ensure consistency.	1 January 2020
Interest Rate Benchmark Reform amendments to IFRS 9 and IFRS 7 These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the on-going interest rate benchmark reforms.	1 January 2020

2 Application of new and revised International Financial Reporting Standards (IFRSs) (continued)

2.2 New and revised IFRS in issue but not yet effective

At the date of authorisation of these separate financial statements, the Entity has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

New and revised IFRSs	***Effective for annual periods beginning on or after***
Amendments to IFRS 3 – Reference to the Conceptual Framework: The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination. The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.	1 January 2022
Amendments to IAS 16 – Property, Plant and Equipment—Proceeds before Intended Use: The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The Entity measures the cost of those items in accordance with IAS 2 Inventories. The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes. If not presented separately in the separate statement of profit or loss and other comprehensive income, the separate financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the separate statement of profit or loss and other comprehensive income include(s) such proceeds and cost. The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the separate financial statements in which the Entity first applies the amendments.	1 January 2022

2 Application of new and revised International Financial Reporting Standards (IFRSs) (continued)

2.2 New and revised IFRS in issue but not yet effective (continued)

New and revised IFRSs	***Effective for annual periods beginning on or after***
The Entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.	
The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.	
Amendments to IAS 37 – Onerous Contracts—Cost of Fulfilling a Contract	1 January 2022
The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).	
The amendments apply to contracts for which the Entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the Entity first applies the amendments. Comparatives are not restated.	
Instead, the Entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.	
The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.	
Annual Improvements to IFRS Standards 2018–2020	1 January 2022
The Annual Improvements include amendments to four Standards.	
IFRS 1 First-time Adoption of International Financial Reporting Standards	
The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's separate financial statements, based on the parent's date of transition to IFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16(a).	
IFRS 9 Financial Instruments	
The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the Entity (the borrower) and the lender,	

2 Application of new and revised International Financial Reporting Standards (IFRSs) (continued)

2.2 New and revised IFRS in issue but not yet effective (continued)

New and revised IFRSs	***Effective for annual periods beginning on or after***
including fees paid or received by either the Entity or the lender on the other's behalf.	
The amendment is applied prospectively to modifications and exchanges that occur on or after the date the Entity first applies the amendment.	
IFRS 16 Leases	
The amendment removes the illustration of the reimbursement of leasehold improvements.	
As the amendment to IFRS 16 only regards an illustrative example, no effective date is stated.	
IAS 41 Agriculture	
The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pretax or post-tax cash flows and discount rates for the most appropriate fair value measurement. The amendment is applied prospectively, i.e. for fair value measurements on or after the date an entity initially applies the amendment.	
IFRS 17 Insurance Contracts : IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.	1 January 2023
IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach.	
The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.	
In , the IASB issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after 1 January 2023. At the same time, the IASB issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after 1 January 2023.	
IFRS 17 must be applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.	

2 Application of new and revised International Financial Reporting Standards (IFRSs) (continued)

2.2 New and revised IFRS in issue but not yet effective (continued)

New and revised IFRSs	***Effective for annual periods beginning on or after***
For the purpose of the transition requirements, the date of initial application is the start if the annual reporting period in which the Entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.	
Amendments to IAS 1 – Classification of Liabilities as Current or Non-current:	1 January 2023
The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the separate statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.	
The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.	
The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted.	
Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture: The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.	1 January 2023
The effective date of the amendments has yet to be set by the Board; however, earlier application of the amendments is permitted. The directors of the Entity anticipate that the application of these amendments may have an impact on the Group's separate financial statements in future periods should such transactions arise.	

3 Significant accounting policies

3.1 Statement of compliance

The separate financial statements have been prepared in accordance with International Financial Reporting Standards.

The separate financial statements have been prepared in accordance with International Financial Reporting Standards. These financial statements are presented in United States Dollar (USD) as compared to 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 users to have better understanding of these separate financial statements.

3.2 Basis of preparation

The separate financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below.

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

Current/Non-Current Classification

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

Expected to be realised or intended to sold or consumed in normal operating cycle or held primarily for the purpose of trading or expected to be realised within twelve months after the reporting year, or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting year.

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 year, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting year.

The Entity classifies all other liabilities as non-current.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Entity takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these separate financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out next page.

3 Significant accounting policies (continued)

3.3 Functional currency

These separate financial statements are presented in US Dollar, which is the Entity's functional currency.

3.4 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.

3.5 Leases

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.

3.6 Foreign currencies

In preparing the separate financial statements of the Entity, transactions in currencies other than the Entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

3.7 Employee benefits

End of service indemnity

Provision is made for the full amount of end of service indemnity due to non-U.A.E. national employees in accordance with the applicable Labour Law and is based on current remuneration

3 Significant accounting policies (continued)

3.7 Employee benefits (continued)

and their period of service at the end of the reporting year.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

3.8 Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and identified impairment loss, if any. The cost comprise of purchase price, together with any incidental expense of acquisition.

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

The following useful lives are used in the calculation of depreciation:

	Useful lives
Furniture and fixtures	1 - 4
Office equipment	4

3.9 Intangible assets

Intangible assets acquired separately

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.

The following useful lives are used in the calculation of amortization:

	Useful lives
Software	5

3.10 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). When 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. When 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 Company 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

3 Significant accounting policies (continued)

3.10 Impairment of tangible and intangible assets (continued)

impaired.

Recoverable amount is the higher of fair value less costs of disposal 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 profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a 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 profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.11 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 the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, 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.

3.12 Financial instruments

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

3.13 Financial assets

Classification of financial assets

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

3 Significant accounting policies (continued)

3.13 Financial assets (continued)

Despite the foregoing, the Entity may make the following irrevocable election / designation at initial recognition of a financial asset:

- the Entity may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (iii) below); and
- the Entity may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (see (iv) below).

Impairment of financial assets

The Entity recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, amounts due from customers under construction contracts, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Entity always recognises lifetime ECL for trade receivables, amounts due from customers under construction contracts (contract assets) and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Entity's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Entity recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Entity measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Derecognition of financial assets

The Entity derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another Entity. 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 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 and also recognises a collateralised borrowing for the proceeds received.

3.14 Financial liabilities

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 due to a related party and trade and other payables.

3 Significant accounting policies (continued)

3.14 Financial liabilities (continued)

Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade 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. Trade and other payables are recognised initially at fair value and subsequently are measured at amortised cost using effective interest method.

Due to a related party

Amounts due to a related party is 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.

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.

4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, which are described in note 3 to these separate 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. The significant judgements 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:

4.1 Critical judgements in applying accounting policies

Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test (please see financial assets sections of note 3.13). 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. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Entity monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Entity's

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

4.1 Critical judgements in applying accounting policies (continued)

continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

4.2 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.

Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Entity uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Entity's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the relevant notes to the separate financial statements.

5 Property, plant and equipment

	Furniture and fixtures	Office equipment	Total
	USD	USD	USD
Cost			
As at 1 January 2019	81,207	56,128	137,335
Additions	-	7,747	7,747
Disposals	(52,381)	-	(52,381)
As at 31 December 2019	28,826	63,875	92,701
Disposals	(8,135)	(14,657)	(22,792)
As at 31 December 2020	**20,691**	**49,218**	**69,909**
Accumulated depreciation			
As at 1 January 2019	71,047	26,749	97,796
Depreciation expense	7,970	15,963	23,933
Disposals	(52,381)	-	(52,381)
As at 31 December 2019	26,636	42,712	69,348
Depreciation expense	1,876	10,228	12,104
Disposals	(7,821)	(12,441)	(20,262)
As at 31 December 2020	**20,691**	**40,499**	**61,190**
Carrying amount			
As at 31 December 2020	**-**	**8,719**	**8,719**
As at 31 December 2019	2,190	21,163	23,353

The depreciation charge has been allocated in the separate statement of profit or loss and other comprehensive income as follows:

	2020	2019
	USD	USD
General and administrative expenses (Note 20)	**12,104**	23,933

6 Intangible assets

	Software	Total
	USD	USD
Cost		
As at 1 January 2019	19,796	19,796
Additions	1,002	1,002
As at 31 December 2019	20,798	20,798
Disposals	(10,019)	(10,019)
As at 31 December 2020	**10,779**	**10,779**
Accumulated amortisation		
As at 1 January 2019	6,655	6,655
Amortisation expenses	4,110	4,110
As at 31 December 2019	10,765	10,765
Amortisation expenses	4,059	4,059
Disposals	(4,636)	(4,636)
As at 31 December 2020	**10,188**	**10,188**
Carrying amount		
As at 31 December 2020	**591**	**591**
As at 31 December 2019	10,033	10,033

The amortisation charge has been allocated in the separate statement of profit or loss and other comprehensive income as follows:

	2020	2019
	USD	USD
General and administrative expenses (Note 20)	**4,059**	4,110

7 Investment in subsidiary

Cost method

Interests are held in the following associates:

Name of subsidiary	Principal activity	Country of incorporation	Ownership interest		Carrying amount of investment	
			2020	2019	**2020**	2019
					USD	USD
The Stabilisation Network DMCC	Management consultancy	United Arab Emirates	**100.00%**	100.00%	**13,613**	13,613

7 Investment in subsidiary (continued)

	The Stabilisation Network DMCC	Total
	USD	USD
Movements		
As at 1 January 2020	13,613	13,613
As at 31 December 2020	**13,613**	**13,613**

8 Trade and other receivables

	2020	2019
	USD	USD
Trade receivables	**944,082**	87,429
Advances	**2,457**	2,746
Deposits	**14,357**	9,919
Prepayments	**282,185**	114,884
VAT receivable	**9,852**	1,839
	1,252,933	216,817

Of the trade receivables as at 31 December 2020 there are 2 customers (2019: 3) which represent 100% (2019: 100%) of the total receivables.

Geographical details of trade receivables

	2020	2019
	USD	USD
Primary Geographical Markets		
Outside UAE	**944,082**	87,429

The average credit period on sales of goods is 30 days. No interest is charged on outstanding trade receivables.

The following table details the risk profile of trade receivables based on the Entity's provision matrix. As the Entity's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Entity's different customer base.

8 Trade and other receivables (continued)

	Trade receivables – ageing			
31 December 2020	**1-30 days**	**31-90 days**	**91-365 days**	**Total**
	USD	**USD**	**USD**	**USD**
Estimated total gross carrying amount	**925,740**	**18,342**	**-**	**944,082**
				944,082

	Trade receivables – ageing			
31 December 2019	1-30 days	31-90 days	91-365 days	Total
	USD	USD	USD	USD
Estimated total gross carrying amount	83,947	-	3,482	87,429
				87,429

Included in the Entity's trade receivables are debtors with a carrying amount of USD 18,342 (2019: USD 3,482) 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 and the amounts are still considered recoverable.

In determining the recoverability of trade receivables, the Entity considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. Accordingly, the management believes that there is no credit allowance required for doubtful debts since trade receivables were fully collected. Hence management has concluded that expected credit loss is immaterial as on reporting date.

9 Related party balances and transactions

The Entity enters into transactions with companies and entities that fall within the definition of a related party as contained in International Accounting Standard 24 Related Party Disclosures. Related parties comprise companies and entities under common ownership and/or common management and control, key management personnel and shareholders. The management decides on the terms and conditions of the transactions and services received/rendered from/to related parties as well as on other charges.

9 Related party balances and transactions (continued)

a) At the end of the reporting year, amounts due from related parties were as follows:

	2020	2019
	USD	USD
Due from key management personnel		
Mr. Alistair James Harris, Shareholder	**57,629**	-

b) At the end of the reporting year, amounts due to related parties were as follows:

	2020	2019
	USD	USD
Due to subsidiary		
The Stabilisation Network DMCC, Dubai U.A.E.	**234,127**	752,984

c) Compensation of key management personnel

The remuneration of Director and other members of key management personnel during the year was as follows:

	2020	2019
	USD	USD
Director's remuneration (Note 20)	**179,996**	283,618

10 Other financial assets

	2020	2019
	USD	USD
Fixed deposits	**206,150**	203,793

The fixed deposits are under lien against bonds and credit card (Note 22).

Other financial assets are assessed to have low credit risk of default since these assets are held with banks that are highly regulated by the central banks of the respective countries. Accordingly, the management of the Entity estimates the loss allowance on other financial assets at the end of the reporting year at an amount equal to 12 month ECL. None of the balances with banks at the end of the reporting year are past due, and taking into account the historical default experience and the current credit ratings of the bank, the management of the Entity have assessed that there is no impairment, and hence have not recorded any loss allowances on these balances.

11 Cash and cash equivalents

	2020	2019
	USD	USD
Cash on hand	**7,443**	12,753
Bank balances	**75,737**	466,981
	83,180	479,734

Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central banks of the respective countries. None of the balances with banks at the end of the reporting year are past due, and taking into account the historical default experience and the current credit ratings of the bank, the management of the Entity have assessed that there is no impairment, and hence have not recorded any loss allowances on these balances.

12 Share capital

	2020	2019
	USD	USD
Authorised, issued and paid up share capital:		
10 shares of USD 1,368.70	**13,687**	13,687

Shareholder	Shareholder's nationality	%	Shares	2020	2019
				USD	USD
Mr. Alistair James Harris	British	100.00	10.00	**13,687**	13,687

13 Dividends

During the year ended 31 December 2020, the Entity declared a dividend of USD 340,000 (2019: USD 183,381).

14 Employees' end of service benefits

	2020	2019
	USD	USD
Balance at the beginning of the year	**42,204**	83,345
Charge for the year	**14,075**	22,365
Payments during the year	**-**	(63,506)
Balance at the end of the year	**56,279**	42,204

Amounts required to cover end of service indemnity at the Separate 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 year.

15 Trade and other payables

	2020	2019
	USD	USD
Trade payables	**642,530**	800,260
Accrued expenses	**709**	865
Advances from customers	**519,037**	-
Salaries and benefits payable	**143,021**	11,939
Other payables	**10,761**	-
	1,316,058	813,064

16 Revenue

	2020	2019
	USD	USD
Disaggregation of revenue – over time		
Management consultancy	**5,406,321**	7,602,946

	2020	2019
	USD	USD
Primary Geographical Markets		
Outside U.A.E.	**5,406,321**	7,602,946

17 Direct expenses

	2020	2019
	USD	USD
Professional and consultancy fees	**850,561**	2,833,201
Other direct cost	**2,074,795**	1,964,322
	2,925,356	4,797,523

18 Dividend income

	2020	2019
	USD	USD
Dividend income from subsidiary	**948,000**	58,200

19 Other income

	2020 USD	2019 USD
Interest income	**2,457**	231
Others	**2,644**	12,492
	5,101	12,723

20 General and administrative expenses

	2020 USD	2019 USD
Salaries and related benefits	**1,614,407**	2,060,345
Director's remuneration (Note 9c)	**179,996**	283,618
Depreciation of property, plant and equipment (Note 5)	**12,104**	23,933
Amortisation of intangible assets (Note 6)	**4,059**	4,110
Rent	**113,601**	221,692
Bank charges	**59,143**	91,676
Travelling and entertainment	**38,917**	129,492
Legal, visa and professional	**129,332**	111,933
Telephone and communications	**105,857**	158,215
Building administration and maintenance	**4,294**	597,330
Supplies	**29,191**	36,949
Loss on disposals of property, plant and equipment	**2,530**	-
Loss on disposal of intangible assets	**5,383**	-
Insurance	**63,643**	76,422
Foreign exchange loss - net	**25,456**	231,670
Others	**28,893**	42,070
	2,416,806	4,069,455

21 Financial instruments and risk management

Significant accounting policies

Details of significant policies and methods adopted including the criteria for recognition for the basis of measurement in respect of each class of financial assets and financial liabilities are disclosed in Note 3 to the separate financial statements.

21 Financial instruments and risk management (continued)

Categories of financial instruments

31 December 2020

	Financial assets Amortised cost USD	Financial liabilities Amortised cost USD
Trade and other receivables (Note 8)	958,439	-
Due from a related party (Note 9)	57,629	-
Other financial assets (Note 10)	206,150	-
Cash and cash equivalents (Note 11)	83,180	-
Due to a related party (Note 9)	-	234,127
Trade and other payables (Note 15)	-	797,021
	1,305,398	**1,031,148**

31 December 2019

	Financial assets Amortised cost USD	Financial liabilities Amortised cost USD
Trade and other receivables (Note 8)	97,348	-
Other financial assets (Note 10)	203,793	-
Cash and cash equivalents (Note 11)	479,734	-
Due to a related party (Note 9)	-	752,984
Trade and other payables (Note 15)	-	813,064
	780,875	**1,566,048**

Fair value measurements

The fair values of financial assets and financial liabilities are determined as follows:

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices at the close of the business on the reporting date.
- The fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

Financial risk management objectives

The Entity's financial risk management policies set out the Entity's overall business strategies and risk management philosophy. The Entity's overall financial risk management program seeks to minimise potential adverse effects to the financial performance of the Entity. The management carries out overall financial risk management covering specific areas, such as market risk (including foreign exchange risk and interest rate risk), credit risk, and liquidity risk and investing

21 Financial instruments and risk management (continued)

excess cash.

Interest risk

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

Foreign currency risk

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

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:

	2020	2019
	USD	USD
Assets		
Jordanian Dinar	**3,106**	2,225
British Pound	**896,507**	47,783
Lebanese Pound	**359**	5,832
Euro	**24**	22
	899,996	55,862

The carrying amounts of the ARK Group DMCC's foreign currency denominated monetary liabilities at the end of the reporting date are as follows:

	2020	2019
	USD	USD
Liabilities		
Jordanian Dinar	**869**	-
British Pound	**8,787**	-
Lebanese Pound	**33**	-
	9,689	-

Foreign currency sensitivity analysis

The following table details the ARK Group DMCC's sensitivity to a 10% decrease in the USD against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 10% change in foreign currency rates. A negative number below indicates a decrease in profit and other equity where the USD strengthens 10% against the relevant currency. For a 10% strengthening of the USD against the relevant currency, there would be an equal and opposite impact on the profit and other equity, and the balances below would be positive.

21 Financial instruments and risk management (continued)

	2020	2019
	USD	USD
Profit and loss at the end of the year		
Jordanian Dinar	**224**	223
British Pound	**88,772**	4,778
Lebanese Pound	**33**	583
Euro	**2**	2

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Entity. As at 31 December 2020, the Entity's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Entity due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Entity arises from the carrying amount of the respective recognised financial assets as stated in the separate statement of financial position.

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Director 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 by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the Entity's financial instruments. The contractual maturities of the financial instruments have been determined on the basis of the remaining period at the reporting date to the contractual maturity date. The maturity profile is monitored by management to ensure adequate liquidity is maintained. The maturity profile of the financial assets and financial liabilities at the reporting date based on contractual repayment arrangements was as follows:

	Interest bearing			
Particulars	**On demand or less than 3 months**	**Within 1 year**	**More than 1 year**	**Total**
		As at 31 December 2020		
Financial assets				
Other financial assets	-	206,150	-	**206,150**

21 Financial instruments and risk management (continued)

Non-interest bearing

Particulars	On demand or less than 3 months	Within 1 year	More than 1 year	Total
		As at 31 December 2020		
Financial assets				
Trade and other receivables	-	958,439	-	**958,439**
Due from a related party	-	57,629	-	**57,629**
Cash and cash equivalents	83,180	-	-	**83,180**
	83,180	**1,016,068**	**-**	**1,099,248**
Financial liabilities				
Due to a related party	-	234,127	-	**234,127**
Trade and other payables	-	797,021	-	**797,021**
	-	**1,031,148**	**-**	**1,031,148**

Interest bearing

Particulars	On demand or less than 3 months	Within 1 year	More than 1 year	Total
		As at 31 December 2019		
Financial assets				
Other financial assets	-	203,793	-	**203,793**

21 Financial instruments and risk management (continued)

Particulars	On demand or less than 3 months	Within 1 year	More than 1 year	Total
	Non-interest bearing			
	As at 31 December 2019			
Financial assets				
Trade and other receivables	-	97,348	-	**97,348**
Cash and cash equivalents	479,734	-	-	**479,734**
	479,734	**97,348**	**-**	**577,082**
Financial liabilities				
Due to a related party	-	752,984	-	**752,984**
Trade and other payables	-	813,064	-	**813,064**
	-	**1,566,048**	**-**	**1,566,048**

Capital risk management

The capital structure of the Entity consists of share capital of USD 13,687 and retained earnings USD 2,664 as disclosed in the separate financial statements. The Entity's total capital resources amounts to USD 16,351.

22 Contingent liabilities and commitments

	2020	2019
	USD	USD
Labour guarantee	**4,900**	4,900
Guarantees (Note 10)	**185,247**	185,247
	190,147	190,147

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

23 Reclassification

During the year, management has reclassified 2019 balances within the separate statement of financial position to provide a better understanding of the operations.