

The Old Library

Dubai - United Arab Emirates

**Independent Auditor's report and Financial
statements**

For the year ended December 31, 2023

The Old Library

Dubai - United Arab Emirates

Independent Auditor's report and Financial statements

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Independent Auditor's report and Financial statements

General information

Company: The Old Library

Principal office address : Premises No - Gold & Diamond Park, Building 7
Sheikh Zayed Road
Dubai, United Arab Emirates

	<u>Name</u>	<u>Nationality</u>
The Chairperson	Ms. Sailakshmi Pallavur Sivaram Deepak Ramamurthy	Indian
The Auditors	: Kaid Auditing Co., Chartered Accountants P.O. Box 60869 Dubai, United Arab Emirates	
The Bank	: Emirates National Bank Dubai, Dubai, UAE	

Ref: SNV/May 2024

Independent auditor's report

To,
The Managing Committee
The Old Library
Premises No - Gold & Diamond Park, Building 7
Sheikh Zayed Road
Dubai, United Arab Emirates

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **The Old Library ("the Entity")** which comprise the statement of financial position as at **December 31, 2023**, and the statement of profit or loss and other comprehensive income, statement of changes in equity, combined statement of cash flows for the year ended **December 31, 2023**, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at **December 31, 2023** 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 ethical requirements that are relevant to our audit of the financial statements in United Arab Emirates, 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.

Other matter

The financial statements of the Entity for the year ended December 31, 2022 which are shown as comparatives, were audited by other auditors who expressed an unmodified opinion on those financial statements.

Responsibilities of Management and those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting policies followed by the Entity 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.

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

Independent auditor's report (continued)

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.

We communicate with management and those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent auditor's report (continued)

Report on other legal and regulatory requirements

Further, as required by the applicable rules and regulations of Community Development Authority of Dubai, United Arab Emirates, we confirm that,

- 1 we have obtained all the information and explanations we considered necessary for the purposes of our audit,
- 2 The financial statements have been prepared and comply in all material respects with the applicable rules and regulations of Community Development Authority of Dubai, United Arab Emirates,
- 3 Proper books of accounts have been maintained by the Entity
- 5 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 have contravened during the financial year ended **December 31, 2023** with any of the applicable rules and regulations of Community Development Authority of Dubai, United Arab Emirates, which would materially affect its activities or its financial position as at **December 31, 2023**.

CA. Suresh Natarajan V.

Partner - Audit, assurance & tax

Kaid Auditing Co., Chartered Accountants

Firm Reg. No. LC0010-01

May 17, 2024



The Old Library

Dubai - United Arab Emirates

Statement of financial position as at December 31, 2023

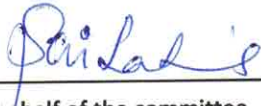
(In Arab Emirates Dirham)

	Notes	2023	2022
Assets			
<i>Non-current assets</i>			
Property and equipment	4	13,975	118,678
Fixed deposit		900,000	855,602
<i>Total non-current assets</i>		913,975	974,280
<i>Current assets</i>			
Inventories	5	245	3,908
Advances, deposits and other receivables	6	55,830	79,812
Cash and bank balances	7	544,974	367,214
<i>Total current assets</i>		601,049	450,934
Total assets		1,515,024	1,425,214
Equity and liabilities			
<i>Equity</i>			
Retained earnings	9	1,471,369	1,366,358
<i>Total equity</i>		1,471,369	1,366,358
<i>Current liabilities</i>			
Accounts and other payables	10	43,655	58,856
<i>Total current liabilities</i>		43,655	58,856
<i>Total liabilities</i>		43,655	58,856
Total equity and liabilities		1,515,024	1,425,214

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 21 were approved on May 17, 2024 and signed on behalf of the Entity, by:



On behalf of the committee
Chairperson
The Old Library



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Statement of profit or loss and other comprehensive income for the year ended December 31, 2023

(In Arab Emirates Dirham)

	<u>Notes</u>	<u>2023</u>	<u>2022</u>
Revenue from contract with customers	11	<u>498,658</u>	447,058
Direct expenses	12	<u>(77,771)</u>	(94,387)
Gross profit		<u>420,887</u>	352,671
Administrative expenses	13	<u>(374,975)</u>	(389,170)
Other income	14	<u>59,099</u>	270
Profit/(loss) for the year		<u>105,011</u>	(36,229)
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		<u>105,011</u>	<u>(36,229)</u>

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 7 to 24 were approved on May 17, 2024 and signed on behalf of the Entity, by:



On behalf of the committee
Chairperson
The Old Library



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Statement of changes in equity for the year ended December 31, 2023

(In Arab Emirates Dirham)

	Retained Earnings	Total equity
Balance as at December 31, 2021	1,402,587	1,402,587
Total comprehensive (loss) for the year	(36,229)	(36,229)
Balance as at December 31, 2022	1,366,358	1,366,358
Total comprehensive income for the year	105,011	105,011
Balance as at December 31, 2023	1,471,369	1,471,369

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

The report of the auditor is set out on pages 2 to 4.



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Statement of cash flows for the year ended December 31, 2023

(In Arab Emirates Dirham)

	2023	2022
Cash flows from operating activities		
Profit/(loss) for the year	105,011	(36,229)
<i>Adjustments for:</i>		
Depreciation on property and equipment	117,041	135,745
Operating cashflow before changes in working capital	222,052	99,516
<i>(Increase) / decrease in current assets</i>		
Inventories	3,663	(3,892)
Advances, deposits and other receivables	23,982	(25,571)
<i>(Decrease)/ Increase in current liabilities</i>		
Accounts and other payables	(15,201)	8,779
Cash generated in operations	234,496	78,832
Net cash generated operating activities	234,496	78,832
Cash flows from investing activities		
Investment in fixed deposit	(44,398)	-
Purchase of property and equipment	(12,338)	-
Net cash (used in) investing activities	(56,736)	-
Net increase in cash and cash equivalents	177,760	78,832
Cash and cash equivalents, beginning of the year	367,214	288,382
Cash and cash equivalents, end of the year	544,974	367,214
Cash and cash equivalents		
Cash in hand-Income	3,311	4,500
Cash in hand-Petty cash	2,492	4,501
Cash float	1,500	5,000
Bank balance	537,671	353,213
	544,974	367,214

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

The report of the auditor is set out on pages 2 to 4.



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Notes to the financial statements for the year ended December 31, 2023

1 Legal status and business activities

- 1.1 The Old Library ("the Entity") was formed on November 13, 2018 as a Non-profit Organization and operates in the United Arab Emirates under a license issued by Community Development Authority, Dubai, United Arab Emirates.
- 1.2 The principal activities of the Entity is social and cultural as per the license and mainly running a library.
- 1.3 The registered office of the Entity is located at Gold & Diamond Park, Building 7, Sheikh Zayed Road, Dubai, United Arab Emirates.
- 1.4 The manager of the Entity as per license is Ms. Sailakshmi Pallavur Sivaram Deepak Ramamurthy.
- 1.5 These financial statements incorporate the operating results of the license number 101 issued by Community Development Authority.

2 Corporate Tax

Corporate Tax: On December 09, 2022, the U.A.E. Ministry of Finance (MoF) released Federal Decree Law No. 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law (CT Law) to enact a new CT regime in the U.A.E. The new CT regime is effective for the accounting periods beginning on or after June 01, 2023. As the entity's year end is December 31, accordingly, the first tax year for the Entity will begin from January 01, 2024. The new CT Law confirms the rate of 9% to be applied to taxable income exceeding AED 375,000.

3 Significant accounting policies

3.1 Statement of compliance

The financial statements have been prepared in accordance with the significant accounting policies adopted by the entities and applicable requirements of UAE Laws. These financial statements are presented in United Arab Emirates Dirham (AED) which is the Entity's functional and presentation currency.

3.2 Basis of preparation

The financial statements have been prepared on the historical cost basis except for certain properties and 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 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.



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Notes to the financial statements for the year ended December 31, 2023

3 Significant accounting policies (continued)

3.4 Fair value measurement

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or

In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Entity.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

3.5 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.

3.6 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:

	<u>Years</u>
Leasehold improvements	5
Furniture & office equipment	5
Computers and IT equipments	5

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 recognized in the statement of profit or loss.



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Notes to the financial statements for the year ended December 31, 2023

3 Significant accounting policies (continued)

3.7 Impairment of tangible assets

At the end of each reporting period, the Entity reviews the carrying amounts of its tangible 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).

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 entity of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'.

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current, if expected to be settled within 12 months, otherwise they are classified as non-current. Derivatives are also categorised as held for trading unless they are designated as hedges.

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Entity commits to purchase or sell the asset. Transaction costs directly attributable to the acquisition are recognised immediately in the statement of profit or loss.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of profit or loss.

Dividend income from financial assets at fair value through profit or loss is recognised in the statement of profit or loss, when the Entity's right to receive payments is established.



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Notes to the financial statements for the year ended December 31, 2023

3 Significant accounting policies (continued)

3.9 Financial assets (continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in the current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The entity's loans and receivables comprise "trade and other receivables", "due from related parties" and "cash and cash equivalents" in the statement of financial position. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

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.

Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost reduced by appropriate allowance for estimated doubtful debts.

Impairment of financial assets

Assets carried at amortised cost

The entity assesses at the end of each reporting period, whether there is objective evidence that a financial asset or entity of financial assets is impaired. A financial asset or a entity of financial assets is impaired and impairment losses are recognized only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or entity of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a entity of debtors is experiencing significant financial difficulty and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the statement of profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the reversal of the previously recognised impairment loss is recognised in the statement of profit or loss.

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 trade and other payables and loans and borrowings.



3 Significant accounting policies (continued)

3.10 Financial liabilities (continued)

Trade and other payables

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

Loans and other borrowings

Loans and other borrowings are recorded at the proceeds received, net of direct issue costs. Finance charges are accounted on accrual basis and are added to the carrying value of the instruments to the extent that they are not settled in the period in which they arise.

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.

3.11 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 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on weighted average basis. Cost of inventories comprises of costs of purchase, and where applicable cost of conversion and other costs that has been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

3.13 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.

3.14 Revenue recognition

Revenue from the sale of goods in normal course of business is recognized at a point in 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 goods or services to the customer. Revenue is recorded net of value added tax (VAT).



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Notes to the financial statements for the year ended December 31, 2023

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 their judgement, the entity considers the detailed criteria for the recognition of revenue set out in IFRS 15, and in particular, whether the entity has transferred control of the goods to the customer. The management is satisfied that control has been transferred and that recognition of revenue in the current year is appropriate, in conjunction with the recognition of an appropriate warranty provision as applicable.

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.

Impairment of goodwill

The entity determines whether goodwill is impaired at least on an annual basis. Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

Allowance for doubtful debts

Allowances for doubtful debts are determined using a combination of factors to ensure that accounts receivable are not overstated due to uncollectibility. The allowance for doubtful debts for all customers is based on a variety of factors, including the overall quality and ageing of receivables, continuing credit evaluation of the customer's financial conditions and collateral requirements from customers in certain circumstances. In addition, specific allowances for individual accounts are recorded when the entity becomes aware of the customer's inability to meet its financial obligations.

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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Notes to the financial statements for the year ended December 31, 2023

3 Significant accounting policies (continued)

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

Key sources of estimation uncertainty

Fair value measurement of financial instruments

For the purpose of fair value disclosures, the entity has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy. The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Entity uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

The entity has an established control framework with respect to the measurement of fair values. This includes a management team that has overall responsibility for overseeing all significant fair value measurements.

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 financial statements.

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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Dubai - United Arab Emirates

Notes to the financial statements for the year ended December 31, 2023

(In Arab Emirates Dirham)

4 Property and equipment

	Lease hold improvements	Furniture & office equipment	Computers and IT equipments	Total
Cost				
As at December 31, 2022	633,282	89,462	98,024	820,768
Additions during the year	12,338	-	-	12,338
As at December 31, 2023	645,620	89,462	98,024	833,106
Accumulated depreciation				
As at December 31, 2022	523,937	84,055	94,098	702,090
Charge for the year	109,216	4,301	3,524	117,041
As at December 31, 2023	633,153	88,356	97,622	819,131
Carrying value as at December 31, 2023	12,467	1,106	402	13,975
Carrying value as at December 31, 2022	109,345	5,407	3,926	118,678



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Notes to the financial statements for the year ended December 31, 2023

(In Arab Emirates Dirham)

	2023	2022
5 Inventories		
Library bags	245	3,908
	<u>245</u>	<u>3,908</u>
6 Advances, deposits and other receivables		
Security deposits	27,754	27,754
Prepayments	24,732	48,690
Expenses recoverable	3,344	3,344
VAT recoverable	-	24
	<u>55,830</u>	<u>79,812</u>
7 Cash and bank balances		
Cash in hand-Income	3,311	4,500
Cash in hand-Petty cash	2,492	4,501
Cash float	1,500	5,000
Bank balance	537,671	353,213
	<u>544,974</u>	<u>367,214</u>
8 Share Capital		
The Old Library holds a permit under Community Development Authority of Dubai to operate as a non-profit organisation. Hence the Entity does not have any formal capital requirements.		
9 Retained earnings	2023	2022
Balance at the beginning of the year	1,366,358	1,402,587
Profit/(loss) for the year	105,011	(36,229)
Balance at the end of the year	<u>1,471,369</u>	<u>1,366,358</u>
10 Accounts and other payables		
Accrued expenses	20,343	15,399
Accounts payable	20,991	43,457
VAT payable	2,321	-
	<u>43,655</u>	<u>58,856</u>
11 Revenue from contract with customers		
For the year ended December 31,		
	2023	2022
Membership fees	410,775	376,270
Fines	69,914	57,044
Other revenues	17,969	13,744
	<u>498,658</u>	<u>447,058</u>



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	For the year ended December 31,	
	2023	2022
12 Direct expenses		
Bank Charges on credit card collection	11,766	10,042
Books buying cost	60,795	80,239
Library bags cost	3,662	2,648
Credit card machine rent	1,548	1,458
	<u>77,771</u>	<u>94,387</u>
13 Administrative expenses		
Accounting charges	24,000	24,000
Annual maintenance contracts and repair charges	37,660	39,086
Bank charges	976	1,427
Coffee mornings	864	480
Communication expenses	13,347	13,882
Covid -19 precautions protocol expenses	-	8,615
Depreciation on property and equipment	117,041	135,745
Electricity charges	5,017	5,251
Honorarium	24,000	24,000
Insurance	2,366	2,366
IT infrastructure expenses	9,430	8,985
Legal & Professional Fee	19,954	9,240
Library general expenses	2,494	3,761
Library rent	92,512	92,510
Library supplies	24,388	19,672
Unclaimed VAT	926	150
	<u>374,975</u>	<u>389,170</u>
14 Other income		
Cash excess and other income	50,465	270
Interest income	8,634	-
	<u>59,099</u>	<u>270</u>



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Notes to the financial statements for the year ended December 31, 2023

(In Arab Emirates Dirham)

15 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 asset and financial liability 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,	
	2023	2022	2023	2022
<i>Financial assets</i>	<i>Carrying amount</i>		<i>Fair value</i>	
Fixed deposits	900,000	855,602	900,000	855,602
Deposits and other receivables	31,098	31,122	31,098	31,122
Cash and bank balances	544,974	367,214	544,974	367,214
	<u>1,476,072</u>	<u>1,253,938</u>	<u>1,476,072</u>	<u>1,253,938</u>
<i>Financial liabilities</i>				
Accounts and other payables	43,655	58,856	43,655	58,856
	<u>43,655</u>	<u>58,856</u>	<u>43,655</u>	<u>58,856</u>

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 fixed deposits, deposits and other receivables, cash and bank balances and certain other assets. Financial liabilities consist of accounts and other payables and certain other liabilities.

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

16 Financial risk management objectives

The Entity management set 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 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.

a) Foreign currency risk management

The Entity does not have any significant exposure to currency risk, as most of its assets and liabilities are denominated in Arab Emirates Dirham and US Dollar to which Arab Emirates Dirham to US Dollar conversion is pegged.

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.



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Notes to the financial statements for the year ended December 31, 2023

(In Arab Emirates Dirham)

16 Financial risk management objectives (continued)

Liquidity and interest risk tables:

The table below 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 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:

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, 2023							
Financial assets							
Fixed deposits	-	-	-	-	-	900,000	900,000
Deposits and other receivables	-	-	-	-	31,098	-	31,098
Cash and bank balances	-	-	-	544,974	-	-	544,974
	-	-	-	544,974	31,098	900,000	1,476,072
Financial liabilities							
Accounts and other payables	-	-	-	-	43,655	-	43,655
	-	-	-	-	43,655	-	43,655
As at December 31, 2022							
Financial assets							
Fixed deposits	-	-	-	-	-	855,602	855,602
Deposits and other receivables	-	-	-	-	31,122	-	31,122
Cash and bank balances	-	-	-	367,214	-	-	367,214
	-	-	-	367,214	31,122	-	1,253,938
Financial liabilities							
Accounts and other payables	-	-	-	-	58,856	-	58,856
	-	-	-	-	58,856	-	58,856

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.



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Notes to the financial statements for the year ended December 31, 2023

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16 Financial risk management objectives (continued)

d) Credit risk management (continued)

Trade receivables consist of a number of customers. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

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, which is net of impairment losses, represents the Entity's maximum exposure to credit risks.

17 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 capital structure of the Entity consists of cash and cash equivalents and equity comprising issued capital, reserves and retained earnings as disclosed in the financial statements.

18 Contingent liabilities and capital commitments

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

19 Comparative amounts

Comparative amounts for the previous year have been regrouped and reclassified wherever found necessary in order to confirm with the current year presentation.




On behalf of the committee
Chairperson
The Old Library

