



CUBIC
Auditing of Accounts

AUDIT - ACCOUNTING - ADVISORY

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**The Old Library
Dubai – United Arab Emirates**

**Financial statements
31 December 2022**

The Old Library
Dubai - United Arab Emirates

Financial statements
31 December 2022

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The Old Library
Dubai - United Arab Emirates

Company profile
31 December 2022

Establishment:	The Old Library	
Principal office address:	Gold and Diamond park, Building 7, Sheikh Zayed Road Dubai - UAE	
Activity:	Lending books	
Financial year:	1 January to 31 December	
Chairperson:	Penelope Theola Mackenzie	South Africa
Auditors:	Cubic Auditing of Accounts Dubai, UAE	
Bankers:	Emirates NBD Bank, Dubai, UAE	

Chairperson's report

The Chairperson presents her report about the affairs of **The Old Library** and the audited financial statements of the Establishment for the year ended 31 December 2022. The financial statements are fairly presented in accordance to the applicable financial reporting standards.

Activity

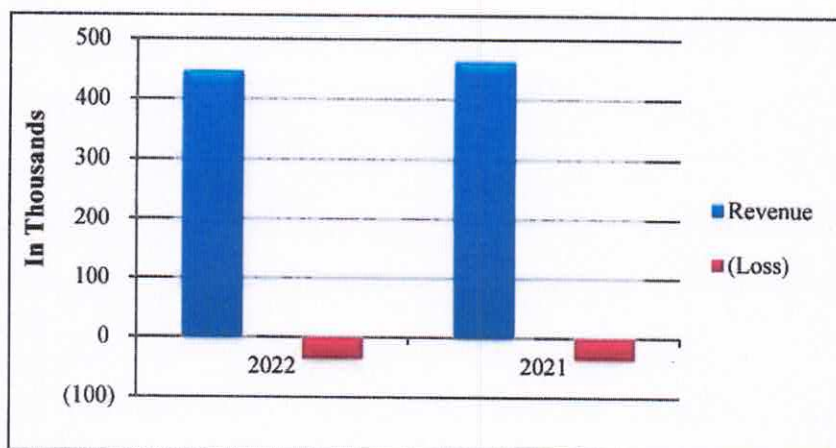
The Old Library's activity comprises lending of books.

Business review

The Establishment has achieved revenue of AED 447,057/- for the year ended 31 December 2022 (for period ended 31 December 2021: AED 463,321/-). The Establishment has incurred a loss of AED 36,227/- (2021: loss of AED 36,718/-).

Amount in United Arab Emirates Dirhams

Year	Revenue	Operating expenses	(Loss)	
				%
2022	447,057	(483,684)	(36,227)	-8%
2021	463,321	(506,268)	(36,718)	-8%



Chairperson's report (continued)

Chairperson

The Chairperson who served throughout the year as at 31 December 2022 :

Name

Nationality

Penelope Theola Mackenzie

South Africa

Risk management

The Establishment identifies the risks and their impact on the business as follows:

Financial risks:

- Credit risk
- Liquidity risk
- Market risk

Other risks:

- Physical and operational risk
- Regulatory risk
- Human resource risk
- Business risk
- Disaster recovery risk

The likelihood and consequences of risks are identified, controls and frequency of monitoring are reported and the scale of risk is assessed. The management reviews the approach to risk management in detail and discusses the same with the Audit Committee.

Internal control

The management has in place a management information system that facilitates financial and other information being periodically reported on a transparent basis to the management to mitigate risks to the extent feasible.

Going concern

The Chairperson is satisfied that there are no material uncertainties and that the Establishment has adequate resources to operate effectively and efficiently and have hence adopted Going concern basis to prepare the financial statements.

Chairperson's report (continued)

After year-end events

The Chairperson confirms that there are no transactions or circumstances of material value that have arisen since the end of the year which are likely to affect the result of the operations of the Establishment for the financial year ended.

Auditors

The auditors, M/s. Cubic Auditing of Accounts, United Arab Emirates are willing to continue in office and a resolution to re-appoint them will be proposed in the Annual General Meeting.

Statement of Chairperson's responsibility

The Chairperson is responsible for adequately maintaining the accounts that are sufficient to explain the transactions and accurately prepare the financial statements for each financial year giving a true and fair view of the affairs of the Establishment.


While preparing the financial statements the Chairperson should:

- Select the accounting policies and consistently apply them;
- Make reasonable judgements and estimates;
- State that the financials comply with IFRSs;
- Follow going concern policy to prepare the financials.

The Chairperson confirms as on the date the report was issued that:

- The financial statements are prepared in accordance to the IFRSs and give a true and fair view of the financial position of the Establishment.
- There is no relevant information that has not been disclosed to the auditors.

On behalf of the Committee


Penelope Theola Mackenzie
Chairperson
The Old Library





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Independent auditor's report

The Committee

The Old Library

Gold and Diamond park,

Building 7, Sheikh Zayed Road

Dubai - UAE

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of **The Old Library, Dubai - United Arab Emirates** ("the Establishment"), which comprise the statement of financial position as at 31 December 2022, and the statements of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Establishment as at 31 December 2022, 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 Establishment in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code") together with the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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 financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRSs, the applicable provisions of the Memorandum of Association of the Establishment and the UAE Federal Decree Law No. (32) of 2021, 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 Establishment'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 Establishment or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibility for the audit of 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.



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Independent auditors' report (continued)

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Establishment's internal control.
- Evaluate the appropriateness of the Establishment's 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 Establishment'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 Establishment to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



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Independent auditors' report (continued)

Report on other legal and regulatory requirements

As required by the UAE Federal Decree Law No. (32) of 2021, we report that:

- i We have obtained all the information and explanations we considered necessary for the purposes of our audit;
- ii The financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree Law No. (32) of 2021, and the Articles of Association of the Establishment;
- iii The Establishment has maintained proper books of account ;
- iv The financial information included in the report of the Chairperson is consistent with the books of account of the Establishment and records of the Establishment;
- v Based on the information that has been made available to us the Establishment has not purchased or invested in any shares or stocks during the financial year ended 31 December 2022;
- vi Based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Establishment has contravened during the year ended 31 December 2022 any of the applicable provisions of the UAE Federal Decree Law No. (32) of 2021 or its Memorandum of Association which would materially affect its activities or its financial position as at 31 December 2022.
- vii The Establishment has not made any social contributions during the year.

Cubic Auditing of Accounts



Mohamed Saeed Al Dhanhani
Registration no. 290

The Old Library
Dubai - United Arab Emirates

Statement of financial position
At 31 December 2022
(In United Arab Emirates Dirhams)

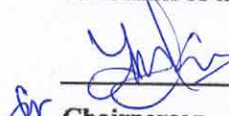
	Note	2022	2021
Assets			
Non-current assets			
Property, plant and equipment	5	118,680	254,423
Fixed deposit	6	855,602	855,602
		<u>974,282</u>	<u>1,110,025</u>
Current assets			
Inventories	7	3,908	16
Other receivables and prepayments	8	79,812	54,241
Cash and cash equivalents	9	367,214	288,382
		<u>450,934</u>	<u>342,639</u>
Total assets		<u>1,425,216</u>	<u>1,452,664</u>
Equity and liabilities			
Retained earnings	11	1,366,360	1,402,587
Total equity		<u>1,366,360</u>	<u>1,402,587</u>
Current liabilities			
Trade and other payables	12	58,856	50,077
Total liabilities		<u>58,856</u>	<u>50,077</u>
Total equity and liabilities		<u>1,425,216</u>	<u>1,452,664</u>

The notes 1 to 18 form an integral part of these financial statements.

The Independent auditor's report is set out on pages 5, 6 and 7.

The financial statements on pages 11 to 23 were authorised for issue by the Board of Directors on

On behalf of the Committee


Chairperson
The Old Library



The Old Library
Dubai - United Arab Emirates

Statement of comprehensive income
For the year ended 31 December 2022
(In United Arab Emirates Dirhams)

	Note	2022	2021
Revenue	13	447,057	463,321
Other income	14	400	6,229
Operating expenses	15	(482,257)	(502,269)
Finance costs	16	(1,427)	(3,999)
		<u>(483,684)</u>	<u>(506,268)</u>
Loss from operations for the year		<u>(36,227)</u>	<u>(36,718)</u>

The notes 1 to 18 form an integral part of these financial statements.
The Independent auditor's report is set out on pages 5, 6 and 7.

The financial statements on pages 11 to 23 were authorised for issue by the Board of Directors on

On behalf of the Committee

Chairperson
The Old Library



The Old Library
Dubai - United Arab Emirates

Statement of cash flows
For the year ended 31 December 2022
(In United Arab Emirates Dirhams)

	Note	2022	2021
Operating activities			
Loss for the year		(36,227)	(36,718)
Adjustments for:			
Depreciation	5	135,743	135,990
Finance costs	16	1,427	3,999
		<u>100,943</u>	<u>103,271</u>
Working capital changes:			
Inventory		(3,892)	3,950
Trade receivables		(25,571)	43,829
Trade and other payables		8,779	(8,052)
<i>Net cash from operating activities</i>		<u>80,259</u>	<u>142,998</u>
Investing activities			
Investments in fixed deposit		-	(5,602)
Purchase of property, plant and equipment	5	-	(10,573)
<i>Net cash (used in) investing activities</i>		<u>-</u>	<u>(16,175)</u>
Financing activities			
Finance costs	16	(1,427)	(3,999)
<i>Net cash used in financing activities</i>		<u>(1,427)</u>	<u>(3,999)</u>
Increase in cash and cash equivalents		78,832	122,824
Cash and cash equivalents at beginning		<u>288,382</u>	<u>165,558</u>
Cash and cash equivalents at end	9	<u><u>367,214</u></u>	<u><u>288,382</u></u>
Represented by:			
Cash in hand - Income		4,500	568
Cash in hand-Petty cash		4,501	2,474
Cash float		5,000	7,000
Bank balances		<u>353,213</u>	<u>278,340</u>
		<u><u>367,214</u></u>	<u><u>288,382</u></u>

The notes 1 to 18 form an integral part of these financial statements.
The Independent auditor's report is set out on pages 5, 6 and 7.

Notes to the financial statements
For the year ended 31 December 2022

1 Legal status and principal activities

- 1.1 The Old Library held a permit under the license hold by the Canadian University of Dubai (Br. of Dubai Education LLC) and was incorporated on 24 October 2012 and operated in the United Arab Emirates under a Permits license issued by the Department of Economic Development of the Government of Dubai.
- 1.2 During financial period, on 13 November 2018, The Old library registered under Community Development Authority as a non-profit organisation and operates in the United Arab Emirates under the license no.101.
- 1.3 The principal activity of the Old Library is lending of books.
- 1.4 The registered office of The Old Library is located at Gold and Diamond park, Building 7, Sheikh Zayed Road, Dubai, U.A.E.
- 1.5 The management and control are vested with Ms. Penelope Theola Mackenzie
- 1.6 These financial statements incorporate the operating results of The Old Library of the license no. 101 issued by Community Development Authority.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and comply with the requirements of UAE Federal Decree Law No. 32 of 2021.

2.2 Basis of measurement

These financial statements have been prepared on historical cost basis.

2.3 Functional and presentation currency

These financial statements are presented in UAE Dirhams ("AED"), which is the Establishment's functional currency.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with International Financial Reporting Standards (IFRSs) requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. 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 estimates are revised and in any future periods affected.

Judgment exercised by management in applying the accounting policies that have the most significant effect on the amounts recognized in the financial statements mainly relate to residual value and useful lives of the items of property, plant and equipment and provision for bad and doubtful debts.

Notes to the financial statements
For the year ended 31 December 2022

3 Summary of significant accounting policies

The following accounting policies, which comply with International Financial Reporting Standards (IFRSs) have been applied consistently to all years presented in these financial statements.

3.1 Revenue recognition

Revenue from services is recognised when all the following conditions have been satisfied:

- a. The entity has transferred to the buyer the significant risks and rewards of ownership of the goods;
- b. The entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- c. The amount of revenue can be measured reliably;
- d. It is probable that the economic benefit associated with the transaction will flow to the entity; and
- e. The cost incurred or to be incurred in respect of the transaction can be measured reliably.

3.2 Financial expenses

Financial expenses are accounted in the income statement in the period in which they are incurred. Except to the extent, that the borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets shall be capitalised as part of cost of that asset.

3.3 Operating lease payments

Operative leases/leased assets are not recognized in the Establishment's statement of financial position. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

3.4 Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the assets.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in profit or loss.

Depreciation is charged from the date the asset is ready for its intended use, which is the date when the asset is commissioned. Depreciation is calculated so as to write off the cost of property, plant and equipment to their expected residual value by equal installments over their estimated useful lives.

Notes to the financial statements
For the year ended 31 December 2022

3 Summary of significant accounting policies (continued)

3.4 Property, plant and equipment (continued)

	Life (years)
Lease hold improvements	5
Furniture and other office equipments	5
Computers, IT equipments and software	5

The depreciation method, useful lives and residual value of property, plant and equipment is reassessed annually.

3.5 Inventories

Inventories are valued at the lower of cost or net realizable value, with appropriate provisions for obsolete and slow moving items. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses. The cost of inventories (excluding finished goods) is determined using the weighted average cost method and includes incidental costs incurred in bringing inventories to their present location and condition.

3.6 Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, trade and other payables, balance with related parties and loan from the bank.

Non-derivative financial instruments are recognized initially at fair value. Subsequent to initial recognition non-derivative financial instruments are measured at amortized cost using the effective interest method less any impairment losses.

A financial instrument is recognized if the Establishment becomes a party to the contractual provisions of the instrument. Financial assets are derecognized if the Establishment's contractual rights to the cash flows from the financial assets expire or if the Establishment transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e. the date the Establishment commits itself to purchase or sell the assets. Financial liabilities are derecognized if the Establishment's obligations specified in the contract expire or are discharged or

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Establishment has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Notes to the financial statements
For the year ended 31 December 2022

3 Summary of significant accounting policies (continued)

3.6 Financial instruments (continued)

Non-derivative financial assets

Trade and other receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition trade and other receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Cash and cash equivalents comprise cash on hand, balances with bank and deposits with banks, within a maturity date of three months or less from the date of deposit, free of encumbrances.

Non-derivative financial liabilities

Non-derivative financial liabilities include trade and other payables and bank borrowings which are recognised initially on the trade date at which the Establishment becomes a party to the contractual provisions of the instrument.

The Establishment derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Non-derivative financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

3.7 Impairment

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that one or more events had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. All impairment losses are recognised in the profit or loss.

Non-financial assets

The carrying amounts of the Establishment's non-financial assets except for investment properties and inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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.

Notes to the financial statements
For the year ended 31 December 2022

3 Summary of significant accounting policies (continued)

3.7 Impairment (continued)

Non-financial assets (continued)

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

3.8 Employees' end of service benefits

Amounts required to cover end of service indemnity at the balance sheet date are computed pursuant to the United Arab Emirates Federal Labour Law based on the employees' accumulated year of service and current basic remuneration at the balance sheet date. These are accounted for as required by the Federal Law No. 8 of 1980 and its subsequent amendments.

3.9 Provisions

A provision is recognized in the statement of financial position when the Establishment has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

3.10 Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Establishment at the exchange rates at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Foreign currency differences arising on retranslation are recognised in statement of comprehensive income.

4 Financial risk management

The Establishment has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

Notes to the financial statements
For the year ended 31 December 2022

4 Financial risk management (continued)

This note presents information about the Establishment's exposure to each of the above risks, the Establishment's objectives, policies and processes for measuring and managing risk, and the Establishment's management of capital.

The Establishment's senior management have overall responsibility for the establishment and oversight of the Establishment's risk management framework and are responsible for developing and monitoring the Establishment's risk management policies.

The Establishment's risk management policies are established to identify and analyse the risks faced by the Establishment, and to monitor those risks. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Establishment's activities.

The following accounting policies, which comply with International Financial Reporting Standards (IFRSs) have been applied consistently to all periods presented in these financial statements.

4.1 Credit risk

Credit risk is the risk of financial loss to the Establishment if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk is mainly attributable to trade receivables and cash at bank. The exposure to credit risk on trade receivables is monitored on an ongoing basis by the management and these amounts are considered recoverable by the Establishment's management. The Establishment's cash is placed with banks of good repute.

4.2 Liquidity risk

Liquidity risk is the risk that the Establishment will not be able to meet its financial obligations as they fall due. Liquidity risk mainly relates to trade and other payables and bank borrowings. The Establishment's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Establishment's reputation.

4.3 Market risk

Market risk is the risk that the changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Establishment's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Notes to the financial statements
For the year ended 31 December 2022

4 Financial risk management (continued)

4.3 Market risk (continued)

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. The Establishment is not significantly exposed to currency risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The interest rate on the Establishment's financial instruments is based on normal commercial rates.

4.4 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Establishment's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Establishment's operations.

The Establishment's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Establishment's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within the Establishment.

4.5 Capital management

The Establishment sets the amount of capital in proportion to risk. The Establishment manages the capital structure and makes adjustments to it in the light of change in economic conditions and the risk characteristics of the underlying assets. The Establishment is not subject to any externally imposed capital requirements.

The Old Library
Dubai - United Arab Emirates

Notes to the financial statements
For the year ended 31 December 2022
(In United Arab Emirates Dirhams)

5 Property, plant and equipment

	<u>Lease hold improvements</u>	<u>Furniture & other office equipment</u>	<u>Computers, IT equipment and software</u>	<u>Total</u>
Cost				
At 1 January 2021	633,282	89,461	103,096	825,839
Additions	-	-	10,573	10,573
Transfers	-	-	(15,645)	(15,645)
At 31 December 2021	633,282	89,461	98,024	820,767
Cost				
At 1 January 2022	633,282	89,461	98,024	820,767
Additions	-	-	-	-
Transfers	-	-	-	-
At 31 December 2022	633,282	89,461	98,024	820,767
Accumulated depreciation				
At 1 January 2021	270,624	72,762	102,613	445,999
Charge for the year	126,656	5,728	3,606	135,990
Disposals	-	-	(15,645)	(15,645)
At 31 December 2021	397,280	78,490	90,574	566,344
Depreciation				
At 1 January 2022	397,280	78,490	90,574	566,344
Charge for the year	126,656	5,563	3,524	135,743
Disposals	-	-	-	-
At 31 December 2022	523,936	84,053	94,098	702,087
Net carrying amount				
At 31 December 2022	109,346	5,408	3,926	118,680
At 31 December 2021	236,002	10,971	7,450	254,423

The Old Library
Dubai - United Arab Emirates

Notes to the financial statements
For the year ended 31 December 2022
(In United Arab Emirates Dirhams)

	2022	2021
6 Fixed deposit	855,602	855,602
7 Inventories	2022	2021
Library bags	3,908	16
8 Other receivables and prepayments	2022	2021
Security deposits	27,754	27,754
Prepayments	48,690	23,143
Advance rent paid	-	-
Expenses recoverable	3,344	3,344
VAT Recoverable	24	-
	79,812	54,241
9 Cash and cash equivalents	2022	2021
Cash in hand - Income	4,500	568
Cash in hand - Petty cash	4,501	2,474
Cash float	5,000	7,000
Bank balances	353,213	278,340
	367,214	288,382
10 Share capital		

The Old Library holds a permit under Community Development Authority of Dubai to operate as a non profit organisation (License No.101) and hence no separate Share capital is required.

The Old Library
Dubai - United Arab Emirates

Notes to the financial statements
For the year ended 31 December 2022
(In United Arab Emirates Dirhams)

11 Retained earnings

	2022	2021
Balance at beginning	1,402,587	1,439,305
Shortage of expenditure over income	<u>(36,227)</u>	<u>(36,718)</u>
Balance at end	<u><u>1,366,360</u></u>	<u><u>1,402,587</u></u>

12 Trade and other payables

	2022	2021
Trade payables	43,457	22,912
Accrued expenses and other payables	<u>15,399</u>	<u>27,165</u>
	<u><u>58,856</u></u>	<u><u>50,077</u></u>

13 Income

	2022	2021
Membership fees	377,510	438,431
Fines and other revenues	<u>69,547</u>	<u>24,890</u>
	<u><u>447,057</u></u>	<u><u>463,321</u></u>

14 Other income

	2022	2021
Other income	<u>400</u>	<u>6,229</u>

The Old Library
Dubai - United Arab Emirates

Notes to the financial statements
For the year ended 31 December 2022
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15 Operating expenses

	2022	2021
Honararium	24,000	24,000
Books and library materials	94,387	97,909
Rent expenses	92,510	91,273
Administrative expenses	35,697	42,968
Repairs and maintenance	30,703	39,806
Event expenses	1,157	2,461
Legal, visa and professional charges	33,240	34,641
Library supplies	32,454	30,855
Insurance	2,366	2,366
Depreciation	135,743	135,990
	<u>482,257</u>	<u>502,269</u>

16 Finance costs

	2022	2021
Bank charges and interest	<u>1,427</u>	<u>3,999</u>

Notes to the financial statements
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17 Financial instruments

Financial instruments of the Establishment comprise of financial assets and financial liabilities. Financial assets consist of cash on hand, bank balance, trade receivables and balances with related parties. Financial liabilities consist of trade payables and other financial liabilities.

All the financial assets and liabilities of the Establishment are recorded at amortised cost as at reporting date.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2022	2021
Other receivables (excluding prepayments)	31,122	31,098
Cash at bank	<u>353,213</u>	<u>278,340</u>
	<u>384,335</u>	<u>309,438</u>

Other receivables primarily include customers and counter parties domiciled in the United Arab Emirates.

Interest rate risk

The Establishment's bank borrowings are at fixed rate of interest. The bank borrowings were at floating rates of interest at levels which are generally obtained in the United Arab Emirates.

Currency risk

The Establishment is exposed to currency risk mainly on purchases, sales, receivables and payables that are denominated in a currency other than its functional currency, primarily the United States Dollar (USD) to which AED is informally pegged,

Fair values

The fair values of the financial assets and liabilities of the Establishment approximate their carrying values. Furthermore, as at 31 December 2022, there are no financial instruments carried at fair value by valuation method.

Notes to the financial statements
For the year ended 31 December 2022
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18 Key sources of estimation uncertainty

The Establishment makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Estimated useful life and residual value of property, plant and equipment

The Establishment's management determines the estimated useful life and related depreciation charge for its property, plant and equipment on an annual basis. The Establishment has carried out a review of the residual value and useful life of property, plant and equipment as at 31 December 2022 and has not highlighted any requirement for an adjustment to the residual values and remaining useful lives of the assets for the current or future periods.

(b) Provision for obsolete inventory

The Establishment reviews its inventory to assess loss on account of obsolescence on a regular basis. In determining whether provision for obsolescence should be recorded in profit or loss, the Establishment makes judgments as to whether there is any observable data indicating that there is any future saleability of the product and the net realizable value for such product. Accordingly, provision for impairment is made where the net realizable value is less than cost based on best estimates by the management. The provision for obsolescence of raw materials, spares and finished goods/trading inventory is based on the ageing and past movement of the inventory.