Al Noor Training Centre for Persons with Disabilities

Financial statements

31 August 2018

Al Noor Training Centre for Persons with Disabilities

Financial statements
31 August 2018

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KPMG

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Independent Auditors' Report

To the Board of Governors of Al Noor Training Centre for Persons with Disabilities

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Al Noor Training Centre for Persons with Disabilities ("the Centre"), which comprise the statement of financial position as at 31 August 2018, the statements of profit or loss and other comprehensive income, changes in funds reserved and cash flows for the year then ended, and notes, comprising 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 Centre as at 31 August 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Centre in accordance with International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (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 the financial statements in accordance with IFRS 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 Centre'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 Centre or to cease operations, or has no realistic alternative but to do so.

Those charged with Governance are responsible for overseeing the Centre's financial reporting process.

Auditors' 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 auditors' 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 Centre's internal control.

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- 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 Centre's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Centre 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.

KPMG Lower Gulf Limited

Fawzi AbuRass
Registration No.: 968
Dubai, United Arab Emirates
Date: 06 MAY 2019

Al Noor Training Centre for Persons with Disabilities

Statement of profit or loss and other comprehensive income
for the year ended 31 August 2018

	Note	2018 AED	2017 AED
Revenue	*5*	**16,369,038**	18,057,274
Administrative and general expenses	*6*	**(19,256,087)**	(19,475,287)
Finance income		**104,712**	98,397
Other income	*7*	**177,520**	174,110
Net deficit for the year		**(2,604,817)**	(1,145,506)
Other comprehensive income for the year		**-**	-
Total comprehensive deficit for the year		**(2,604,817)**	(1,145,506)

The notes on pages 8 to 23 are an integral part of these financial statements.

The independent auditors' report on these financial statements is set out on pages 1 to 3.

Al Noor Training Centre for Persons with Disabilities

Statement of financial position
at 31 August 2018

	Note	2018 AED	2017 AED
Non-current assets			
Property and equipment	*8*	**1,678,970**	1,637,449
Current assets			
Trade and other receivables	*9*	**890,649**	668,136
Cash in hand and at banks	*10*	**7,442,940**	8,932,105
		8,333,589	9,600,241
Current liabilities			
Trade and other payables	*11*	**4,296,116**	2,899,573
		4,296,116	2,899,573
Net current assets		**4,037,473**	6,700,668
Non-current liabilities			
Staff terminal benefits	*13*	**6,109,133**	6,061,240
Trade and other payables	*11*	**162,650**	227,400
		6,271,783	6,288,640
(Net liabilities)/ net assets		**(555,340)**	2,049,477
Funds reserved:			
(Accumulated losses)/ retained earnings		**(555,340)**	2,049,477
		(555,340)	2,049,477

The notes on pages 8 to 23 are an integral part of these financial statements.

These financial statements were approved and authorised for issue by the Board of Directors on 06/05/2019 and signed on their behalf by:

Chairman

الـنـور
AL NOOR

Director

The independent auditors' report on these financial statements is set out on pages 1 to 3.

06/05/19

Al Noor Training Centre for Persons with Disabilities

Statement of cash flows
for the year ended 31 August 2018

	Note	2018 AED	2017 AED
Cash flows from operating activities			
Deficit for the year		**(2,604,817)**	(1,145,506)
Adjustments for:			
Depreciation	*8*	**700,235**	784,861
Donations not received in a monetary form	*8*	**(361,963)**	(559,680)
Loss on sale of property and equipment	*7*	**-**	376
Interest income		**(104,712)**	(98,397)
Provision for staff terminal benefits	*13*	**762,333**	949,621
		(1,608,924)	(68,725)
Change in trade and other receivables		**(222,513)**	(89,803)
Change in trade and other payables		**1,331,793**	50,434
Staff terminal benefits paid	*13*	**(714,440)**	(167,367)
Net cash used in operating activities		**(1,214,084)**	(275,461)
Cash flows from investing activities			
Acquisition of property and equipment	*8*	**(379,793)**	(91,697)
Increase in fixed deposits	*10*	**2,660,418**	-
Interest received		**104,712**	-
Net cash generated from/(used in) investing activities		**2,385,337**	(91,697)
Net increase/(decrease) in cash and cash equivalents		**1,171,253**	(367,158)
Cash and cash equivalents at the beginning of the year		**1,852,555**	2,219,713
Cash and cash equivalents at the end of the year	*10*	**3,023,808**	1,852,555
These comprise the following:			
Cash in hand		**32,415**	39,967
Cash at banks		**2,991,393**	1,812,588
		3,023,808	1,852,555
Non-cash transactions:			
Property and equipment received as donations		**361,963**	559,680

The notes on pages 8 to 23 are an integral part of these financial statements.

The independent auditors' report on these financial statements is set out on pages 1 to 3.

Al Noor Training Centre for Persons with Disabilities

Statement of changes in funds reserved

for the year ended 31 August 2018

	Retained earnings/ (accumulated losses)
At 1 September 2016	3,194,983
Total comprehensive deficit for the year	(1,145,506)
At 31 August 2017	2,049,477
At 1 September 2017	2,049,477
Total comprehensive deficit for the year	(2,604,817)
At 31 August 2018	**(555,340)**

The notes on pages 8 to 23 are an integral part of these financial statements.

Notes
(forming an integral part of the financial statements)

1. Reporting entity

The Al Noor Training Centre for Persons with Disabilities (the "Centre") was established in 1984 with the objective of assisting handicapped children with both academic and vocational training.

The Centre operates under the supervision of the Ministry of Labour and Social Affairs, consequent to a Ministerial Degree No. 247 dated 22 May 1997, under professional license no. 108439.

The registered address of the Centre is P. O. Box 8397, Dubai, United Arab Emirates.

2. Basis of preparation

Statement of compliance

These financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRSs").

Basis of measurement

The financial statements have been prepared on the historical cost basis.

Functional and presentation currency

The financial statements are presented in United Arab Emirates Dirham ("AED"), which is the Centre's functional currency.

Use of estimates and judgments

The preparation of the financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of Centre's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are discussed in note 16.

3. Significant accounting policies

The accounting polices set out below have been applied consistently to all period presented in these financial statements.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Centre and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding discounts.

Fee income

Fee income includes mainly tuition, child sponsorship fee and registration fees, other revenue mainly includes transportation fees. All fees are taken to income on an accrual basis with respect to the financial year to which they relate.

Donations

Donations (received as cash and non-monetary fixed asset donations) are recognised as income at the fair value of the donation received or receivable in the period it is received or receivable when all of the following conditions have been satisfied:

- the Centre obtains control of the donation or the right to receive the donation;
- it is probable that the economic benefits comprising the donation will flow to the Centre; and
- the amount of the donation can be measured reliably.

Rental income

Rental income includes consideration received in respect of short-term use of facilities. Revenue is recognised at the time of providing the service.

Finance income

Finance income comprises interest income on deposits. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Provisions

A provision is recognised if, as a result of a past event, the Centre has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Staff terminal benefits

The Centre's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior years. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the year in which they arise.

3. Significant accounting policies *(continued)*

Property and equipment

Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

If significant parts of an item of property and equipment have different useful lives, then they are accounted for as separate items (major components) of property and equipment.

Any gain or loss on disposal of an item of property and equipment is recognized in profit or loss.

Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Centre. Ongoing repairs and maintenance is expensed as incurred.

Items of property and equipment are depreciated from the date that they are installed and are ready for use.

Depreciation

Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual value using straight-line basis over their estimated useful lives, and is generally recognised in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Centre will obtain ownership by the end of the lease term.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate. The details of the useful lives are as follows:

Assets	**Useful life (years)**
Leasehold improvements	20
Furniture and fixture	4
Motor vehicles	4
Therapy equipment	4

Government grants

Government grants are recognised at nominal value when there is reasonable assurance that they will be received and the Centre will comply with the conditions associated with the grant. Grants which compensate the Centre for expenses incurred are recognised in the profit or loss on a systematic basis in the same periods in which the expenses are recognised.

3. Significant accounting policies *(continued)*

Financial instruments

The Centre classifies non-derivative financial assets and liabilities into loan and receivables and other financial liabilities category.

(i) Non-derivative financial assets and financial liabilities – recognition and derecognition

The Centre initially recognises loans and receivables on the date that they are originated. All other financial assets and financial liabilities are recognised initially on the trade date.

The Centre derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Centre is recognised as a separate asset or liability.

The Centre derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

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

Financial assets at fair value through profit or loss

A financial asset is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein, including any interest or dividend income, are recognised in profit or loss.

(ii) Non-derivative financial assets – measurement

Loans and receivables

These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

Loans and receivables comprise trade and other receivables and cash and cash equivalents.

Cash and cash equivalents comprise cash in hand and bank balances.

3. Significant accounting policies *(continued)*

Financial instruments *(continued)*

(iii) Non derivative financial liabilities - measurement

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

Other financial liabilities comprise trade and other payables.

Impairment

Non-derivative financial assets

Financial asset not classified as at fair value through profit or loss are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Centre on terms that the Centre would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, and observable data indicating that there is measurable decrease in expected cash flows from a group of financial assets.

Financial assets measured at amortised cost

The Centre considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Centre uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss 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. Losses are recognised in profit or loss and reflected in an allowance account. When the Centre considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

3. Significant accounting policies *(continued)*

Impairment *(continued)*

Non-financial assets

At each reporting date, the Centre reviews the carrying amounts of its non-financial assets 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 ("CGU") is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss.

For other assets, 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 amortisation, if no impairment loss had been recognised.

New standards and interpretations not yet effective

A number of new standards are effective for annual periods beginning after 1 September 2016 and earlier application is permitted; however, the Centre has not early adopted the new or amended standards in preparing these financial statements. The new standards which may be relevant to the Centre have been set out below.

IFRS 9 Financial Instruments

IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets. IFRS 9 also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. The final version of IFRS 9 is effective for annual periods beginning on or after 1 January 2018.

i) Classification – Financial assets

IFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics. IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income ("FVOCI") and fair value through profit or loss ("FVTPL"). The standard eliminates the existing IAS 39 categories of held to maturity, loans and receivables and available for sale.

Based on its assessment, the Centre does not believe that the new classification requirements will have a material impact on its accounting for financial assets.

3. Significant accounting policies *(continued)*

New standards and interpretations not yet effective *(continued)*

IFRS 9 Financial Instruments (continued)

ii) Impairment

IFRS 9 replaces the 'incurred loss' model in IAS 39 with a forward-looking 'expected credit loss' ("ECL") model. This will require considerable judgement about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis. The new impairment model will apply to financial assets measured at amortised cost or fair value through other comprehensive income ("FVOCI"), except for investments in equity instruments, and to contract assets.

Under IFRS 9, loss allowances will be measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Lifetime ECL measurement applies if the credit risk of a financial asset at the reporting date has increased significantly since initial recognition and 12-month ECL measurement applies if it has not. An entity may determine that a financial asset's credit risk has not increased significantly if the asset has low credit risk at the reporting date. However, lifetime ECL measurement always applies for trade receivables and contract assets without a significant financing component; the Centre has a choice to apply this policy also for trade receivables and contract assets with a significant financing component.

The estimated ECL will be calculated based on actual credit loss experience. The Centre will perform the calculation of ECL rates separately for different types of customers including related parties.

Actual credit loss experience will be adjusted to reflect differences between economic conditions during the period over which the historical data was collected, current conditions and the Centre's view of economic conditions over the expected lives of the receivables and related party balances.

Based on its assessment, the Centre does not believe that the application of IFRS 9's impairment requirements will have a material impact on its financial statements.

IFRS 15 Revenue from contracts with customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and IFRIC 13 *Customer Loyalty Programmes*. IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018.

Based on its assessment, the Centre does not believe that the application of IFRS 15's requirements will have a material impact on its financial statements.

4. Financial risk management

Overview

The Centre has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

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

Risk management framework

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

Credit risk

Credit risk is the risk of financial loss to the Centre if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Centre's trade and other receivables and cash at banks.

Trade and other receivables

The management has established a credit policy under which each new customer is analysed individually for credit worthiness before the Centre's standard payment and delivery terms and conditions are offered. Sales limits are established for each customer, which represents the maximum open amount without requiring approval. These limits are reviewed on an ongoing basis. Customers that fail to meet the Centre's benchmark creditworthiness may transact with the Centre only on a prepayment basis.

The Centre has a credit control department which monitors credit approval, collections and proposes establishment of allowance for impairment. The Centre's exposure to significant customers across various entities and divisions of the Centre is monitored on a regular basis.

The Centre establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade receivables. The main component of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

Cash at banks

The Centre's cash is placed with banks of good repute.

4. Financial risk management *(continued)*

Liquidity risk

Liquidity risk is the risk that the Centre will not be able to meet its financial obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Centre'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 Centre's reputation.

Liquidity risk mainly relates to trade and other payables. The Centre ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Market risk

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

Currency risk

The majority of the Centre's transactions are denominated in AED, therefore the Centre is not exposed to significant 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 Centre has no significant exposure to interest rate risk other than relating to interest income on deposits which carry market interest rates. Quantitative disclosures in respect of these financial instruments have been mentioned in note 16.

Capital management

The Centre's main objective when managing capital is to safeguard the Centre's ability to continue as a going concern and to meet its business commitments. There was no change in the Centre's approach to capital management during the current year.

5. Revenue

	2018 AED	2017 AED
Tuition fees	**7,622,800**	8,535,450
Child sponsorship fees	**1,997,500**	1,845,532
Rental of facilities	**1,979,149**	1,481,375
Donations and events	**1,851,952**	2,958,120
Other revenue	**2,917,637**	3,236,797
	16,369,038	18,057,274

6. Administrative and general expenses

	2018 AED	2017 AED
Staff costs	**15,536,321**	16,153,896
Fundraising expenses	**778,324**	137,239
Repairs and maintenance	**706,409**	765,565
Depreciation (refer note 8)	**700,235**	784,861
Travelling expenses	**367,288**	309,577
Insurance expenses	**224,955**	222,576
Write-off of bad debts	**156,368**	288,100
Legal, municipal and visa expenses	**67,972**	98,441
Printing and stationery	**55,365**	67,485
Provision for doubtful debts	**6,450**	19,350
Others	**656,400**	628,197
	19,256,087	19,475,287

7. Other income

	2018 AED	2017 AED
Loss on sale of property and equipment	**-**	(376)
Other income	**177,520**	174,486
	177,520	174,110

8. Property and equipment

	Leasehold improvements	Furniture & fixtures	Therapy equipment	Motor vehicles	Total
Cost					
At 1 September 2016	532,890	3,759,029	1,073,374	3,198,360	8,563,653
Additions (refer (ii) below)	-	197,172	256,205	198,000	651,377
Disposals	-	(3,925)	(18,876)	-	(22,801)
At 31 August 2017	532,890	3,952,276	1,310,703	3,396,360	9,192,229
At 1 September 2017	532,890	3,952,276	1,310,703	3,396,360	9,192,229
Additions (refer (ii) below)	-	371,293	370,463	-	741,756
At 31 August 2018	532,890	4,323,569	1,681,166	3,396,360	9,933,985
Depreciation					
At 1 September 2016	215,220	3,056,712	907,729	2,612,683	6,792,344
Charge for the year	27,851	380,182	88,212	288,616	784,861
On disposals	-	(3,551)	(18,874)	-	(22,425)
At 31 August 2017	243,071	3,433,343	977,067	2,901,299	7,554,780
At 1 September 2017	243,071	3,433,343	977,067	2,901,299	7,554,780
Charge for the year	27,043	329,881	133,861	209,450	700,235
At 31 August 2018	270,114	3,763,224	1,110,928	3,110,749	8,255,015
Net Book Value					
At 31 August 2018	**262,776**	**560,345**	**570,238**	**285,611**	**1,678,970**
At 31 August 2017	289,819	518,933	333,636	495,061	1,637,449

(i) In 2013, the Government of Dubai had bestowed 1,394 square metres of land in Al Warqa to the Centre which is recorded at a nominal value of AED 1. The Centre is planning to construct a commercial and residential building at this site with the objective of generating sustainable income from its rentals. The cost of the construction will be borne by donors, hence the Centre has no capital commitment towards this.

(ii) Included in additions is an amount of AED 361,963 *(2017: AED 559,680)* which pertains to assets received as donations.

(iii) The Centre operates on land and buildings which are owned by Dubai Real Estate Corporation and leased by the Chairman of the Centre, Mr. Khalid Al Halyan, for the beneficial use of the Centre. The rent expense of AED 877,510 is waived by the owner.

The land and buildings are available for the use for the foreseeable future.

Al Noor Training Centre for Persons with Disabilities

Notes *(continued)*

9. Trade and other receivables

	2018 AED	2017 AED
Trade receivables	**382,932**	207,500
Less: provision for doubtful debts	**(25,800)**	(19,350)
	357,132	188,150
Prepayments	**131,431**	157,318
Advances	**-**	38,545
Other receivables	**402,086**	284,123
	890,649	668,136

10. Cash in hand and at banks

	2018 AED	2017 AED
Cash in hand	**32,415**	39,967
Cash at banks – current accounts	**2,991,393**	1,812,588
Cash at banks – fixed deposits	**4,419,132**	7,079,550
	7,442,940	8,932,105

Cash at banks includes fixed deposits held at call with banks with original maturities of one year and less at market prevailing profit rates.

11. Trade and other payables

	2018 AED	2017 AED
Trade payables	**399,613**	360,207
Tuition fees received in advance – current	**1,415,383**	1,036,547
Deposits received	**810,900**	833,000
Accrued air ticket	**314,062**	347,329
Accruals and other payables	**1,312,844**	72,562
Others	**43,314**	249,928
	4,296,116	2,899,573
Tuition fees received in advance – non-current	**162,650**	227,400

12. Related party transactions and balances

The Centre, in the normal course of business carries out transactions with other business enterprises that fall within the definition of a related party contained in International Accounting Standard 24. These transactions are carried out at mutually agreed rates.

Compensation to key management personnel is as follows:

	2018	2017
	AED	AED
Short-term benefits	**632,028**	614,028
Provision towards employees' terminal benefits	**57,495**	55,695

13. Staff terminal benefits

	2018	2017
	AED	AED
Opening balance	**6,061,240**	5,278,986
Provision made during the year	**762,333**	949,621
Payments made during the year	**(714,440)**	(167,367)
Closing balance	**6,109,133**	6,061,240

14. Capital commitments and contingent liabilities

The Centre does not have any capital commitments or contingent liabilities as at the reporting date *(2017: Nil)*.

15. Financial instruments

Financial assets of the Centre include cash in hand and at bank, trade and other receivables. Financial liabilities of the Centre consists of trade and other payables. Accounting policies for financial assets and liabilities are set out in note 3.

(a) Credit risk

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:

	2018 AED	2017 AED
Trade and other receivables (excluding prepayments and advances)	**759,218**	472,273
Cash at banks	**7,410,525**	8,892,138
	8,169,743	9,364,411

The aging of trade receivables at the reporting date was:

	2018		2017	
	Gross 2018 AED	**Provision 2018 AED**	Gross 2017 AED	Provision 2017 AED
Within 90 days	**189,162**	**-**	62,000	-
91 – 180 days	**84,590**	**6,450**	76,300	-
181 – 365 days	**89,830**	**-**	64,200	14,350
More than 365 days	**19,350**	**19,350**	5,000	5,000
Balance at 31 August	**382,932**	**25,800**	207,500	19,350

The movement in the allowance for impairment losses in respect of trade receivables during the current and previous years was as follows:

	2018 AED	2017 AED
At 1 September	**19,350**	-
Charge for the year	**6,450**	19,350
At 31 August	**25,880**	19,350

The exposure to credit risk on these trade receivables is monitored on an ongoing basis by the management. The balances, net of provisions, are considered fully recoverable. Based on the historical default rates and assessment of specific outstanding balances, the Centre believes that no further provision is necessary in respect of outstanding trade receivables.

15. Financial instruments *(continued)*

(b) Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount AED	Contractual cash flow AED	Less then 1 year AED
At 31 August 2018			
Trade and other payables (excluding advances)	**2,837,419**	**2,837,419**	**2,837,419**
At 31 August 2017			
Trade and other payables (excluding advances)	1,613,098	1,613,098	1,613,098

(c) Market risk

Interest rate risk

The Centre is exposed to interest rate risk on deposits at banks.
At the reporting date, the interest rate profile of the Centre's interest bearing financial instruments was:

	2018 AED	2017 AED
Variable rate instruments		
Fixed deposits at banks	**4,419,132**	7,079,550

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points ("bp") in interest rates at the reporting date would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2017.

	Profit or loss	
	100 bp increase AED	100 bp decrease AED
31 August 2018	**(44,191)**	**44,191**
31 August 2017	(70,796)	70,796

(d) Fair values

The fair values of the Centre's financial assets and liabilities approximate their carrying values at the reporting date.

16. Use of estimates and judgments

Judgments made by the management in the application of IFRS that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year mainly comprise of the following:

Impairment losses on property and equipment

The Centre reviews its property and equipment to assess impairment, if there is an indication of impairment. In determining whether impairment losses should be reported in profit or loss, the Centre makes judgments as to whether there is any observable data indicating that there is a reduction in the carrying value of property and equipment. Accordingly, an allowance for impairment is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the carrying value of property and equipment.

Estimated useful life and residual value of property and equipment

The management determines the estimated useful lives and related depreciation charge for its property and equipment on an annual basis. The Centre has carried out a review of the residual values and useful lives of property and equipment during the year to assess the reasonableness of such estimates.

Impairment losses on receivables

The Centre reviews its receivables to assess impairment at least on an annual basis. The Centre's credit risk is primarily attributable to its trade and receivables and other receivables. In determining whether impairment losses should be recognised in the profit or loss, the Centre makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows. Accordingly, an allowance for impairment is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.