Report and Financial Statements

The DIFC Employee Workplace Savings Plan

For the period from 27 January 2020 (date of establishment) to 31 December 2020

For the period from 27 January 2020 (date of establishment) to 31 December 2020

CONTENTS **Pages**

Trustee and professional advisors	1 - 2
Report of the Trustee	3 - 5
Statement of Trustee's responsibilities	6
Independent auditor's report	7 - 9
Statement of net assets	10
Statement of profit or loss and comprehensive income	11
Trust account	12
Statement of cash flows	13
Notes to the financial statements	14 - 21

TRUSTEE AND PROFESSIONAL ADVISORS

The current Trustee/Operator is Equiom (Isle of Man) Limited (the Trustee), operating through its Branch in the DIFC. The Officers of the Trustee during the period and to date are:-

Name of Director	Current as at the Period end	Current as at FS signing date	Date of Appointment/Resignation
Mrs S M Dean	No	No	Resigned 22 December 2020
Mrs N C Johnston	Yes	Yes	Appointed 10 October 2013
Mr P C Crossley	Yes	Yes	Appointed 13 March 2014
Mr H A Bamber	Yes	No	Resigned 31 January 2021
Mrs F D Noon	Yes	Yes	Appointed 18 January 2019
Mr K A Halsall	Yes	Yes	Appointed 18 June 2019
Mr N B Evans	Yes	Yes	Appointed 8 June 2020
Mr C W Cain	Yes	Yes	Appointed 5 August 2020

Name of Secretary	Current as at the Period end	Current as at FS signing date	Date of Appointment
Equiom Corporate Services Limited	Yes	Yes	Appointed 30 September 2019

Trustee:	Equiom (Isle of Man) Limited operating through its Branch in the DIFC under its trade name “Equiom (Isle of Man) Limited (DIFC Branch)”
Registered Administrator:	Equiom (Isle of Man) Limited
Registered Office:	Isle of Man: First Floor, Jubilee Buildings, Victoria Street, Douglas, Isle of Man, IM1 2SH DIFC: Office 302, Liberty House, DIFC, Dubai, United Arab Emirates, P.O. Box 49042
Investment Managers:	Mercer Global Investments Europe Limited, Charlotte House, Charlemont Street, Dublin 2, Ireland Emirates NBD Asset Management Limited, 8th Floor East Wing, DIFC – The Gate Building, P.O. Box 506578, Dubai, United Arab Emirates
Investment Advisor:	Mercer Financial Services Middle East Ltd. Office 01B, Level 5, Gate Precinct Building 2, DIFC, P.O. Box 215306, Dubai, United Arab Emirates
Auditor:	KPMG LLP, Unit No. 819, Liberty House, DIFC, P.O. Box 3800, Dubai, United Arab Emirates
Bankers:	Standard Chartered Bank, Standard Chartered Tower, Emaar Square, Dubai, United Arab Emirates

TRUSTEE AND ADVISORS - CONTINUED

Third Party Process Administrator (IOM):	Zurich Workplace Solutions (Middle East) Limited, Unit 1606, Level 16, Index Tower, DIFC, Dubai, 50389, United Arab Emirates
Administrator (DFSA):	Zurich Workplace Solutions (Middle East) Limited, Unit 1606, Level 16, Index Tower, DIFC, Dubai, 50389, United Arab Emirates (licensed by the Dubai Financial Services Authority (“DFSA”) under category 3B to act as the Administrator of an Employee Money Purchase Scheme)

REPORT OF THE TRUSTEE
for the period from 27 January 2020 (date of establishment) to 31 December 2020

INTRODUCTION

The Trustee presents the Report, the financial statements of The DIFC Employee Workplace Savings Plan (the “Plan/Trust”) and the Auditor’s Report for the period from 27 January 2020 (date of establishment) to 31 December 2020.

As at 31 December 2020, the Plan was defined contribution in nature and not subject to Isle of Man Income Tax.

The financial statements of the Plan have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Boards (IASB), applicable provisions of the Trust Law pursuant to DIFC Law No. 4 of 2018, regulation 14 of the Retirement Benefits Schemes (International Schemes) Regulations 2001 and section 15 of the Retirement Benefits Scheme Act 2000.

The Plan is an open scheme as at the year ended 31 December 2020, approved by the DFSA as an Employee Money Purchase Scheme in the DIFC and registered in the Isle of Man as an authorised scheme under Section 3 of the Retirement Benefits Schemes Act 2000.

THE PARTICIPATING EMPLOYERS

As at 31 December 2020 there were 1,144 participating employers in the Plan.

THE TRUSTEE/OPERATOR

The Trustee/Operator of the Plan at 31 December 2020 was Equiom (Isle of Man) Limited operating through its Branch in the DIFC under its trade name “Equiom (Isle of Man) Limited (DIFC Branch)” who were appointed Trustee by Deed dated 27 January 2020.

Equiom (Isle of Man) Limited (DIFC Branch) holds a category 3B licence with the DFSA to act as Operator of an Employee Money Purchase Scheme.

REGISTERED ADMINISTRATOR

The registered administrator of the Plan at 31 December 2020 in accordance with the Retirement Benefits Schemes (International Schemes) Regulations 2001 and section 15 of the Retirement Benefits Schemes Act 2000 was Equiom (Isle of Man) Limited.

SCHEME MANAGEMENT

The Trustee, in consultation with the Investment Advisor, considers matters relating to the ongoing development and investment policy of the Plan.

MEMBERSHIP

The change in membership of the Plan during the period is given below:

Active members as at 27 January 2020	**-**
New members joining	18,882
Leavers	(825)
Active members as at 31 December 2020	**18,057**

REPORT OF THE TRUSTEE - CONTINUED
for the period from 27 January 2020 (date of establishment) to 31 December 2020

INVESTMENT REPORT

The investments of the Plan have been managed by the Investment Managers. Further information, with regard to investment reports is available to members if requests are made to the Plan Administrator.

In accordance with Regulation 13(4) of the Retirement Benefits Schemes (International Schemes) Regulations 2001 and Section 15 of the Retirement Benefits Schemes Act 2000, the Trustees have agreed a Statement of Investment Principles ("SIP").

There were no investments made during the period which were not in accordance with the SIP.

A copy of the SIP may be obtained from the Trustee.

A breakdown of the investments of the Plan can be found in Note 5 to the financial statements. The investment performance of those funds held at 31 December 2020 has been summarised below.

INVESTMENT PERFORMANCE

Mercer USD Cash ("Low Growth")

The benchmark for this fund's performance is the "FTSE USD 1 Month Euro Deposit Index" and the target is to match or outperform the benchmark. The portfolio performed as follows:-

	Portfolio %	Benchmark %
23 March to 31 December 2020	0.10	0.10

Mercer Multi Asset Balanced Growth ("Low/Moderate Growth (Default)")

The benchmark for this fund's performance is the "FTSE USD 1 Month Euro Deposit Index" and the target is to outperform the benchmark by 2% p.a. The portfolio performed as follows:-

	Portfolio %	Benchmark +2% p.a.
26 March to 31 December 2020	18.5	1.70

Mercer Diversified Growth (USD Hedged) ("Moderate Growth")

The benchmark for this fund's performance is the "FTSE USD 1 Month Euro Deposit Index" and the target is to outperform the benchmark by 3% p.a. The portfolio performed as follows:-

	Portfolio %	Benchmark +3% p.a.
26 March to 31 December 2020	27.3	2.50

REPORT OF THE TRUSTEE - CONTINUED
for the period from 27 January 2020 (date of establishment) to 31 December 2020

INVESTMENT PERFORMANCE - CONTINUED

Mercer Multi Asset Growth (USD Hedged) ("Moderate/High Growth")

The benchmark for this fund's performance is the "FTSE USD 1 Month Euro Deposit Index" and the target is to outperform the benchmark by 3.5% p.a. The portfolio performed as follows:-

	Portfolio %	Benchmark +3.5% p.a.
26 March to 31 December 2020	28.8	2.80

Mercer Multi Asset High Growth (USD Hedged) ("High Growth")

The benchmark for this fund's performance is the "FTSE USD 1 Month Euro Deposit Index" and the target is to outperform the benchmark by 4% p.a. The portfolio performed as follows:-

	Portfolio %	Benchmark +4% p.a.
23 March to 31 December 2020	52.4	3.30

Emirates NBD Islamic Money Market

The benchmark for this fund's performance is "USD 3 Month Libor" and the target is to match or outperform the benchmark. The portfolio performed as follows:-

	Portfolio %	Benchmark %
2 April to 31 December 2020	0.10	0.30

STATEMENT OF TRUSTEE'S RESPONSIBILITIES

The financial statements, which are prepared in accordance with all applicable International Financial Reporting Standards ("IFRSs"), which collective term includes all applicable individual IFRSs, International Accounting Standards ("IASs") and Interpretations promulgated by the International Accounting Standards Board ("IASB"), are the responsibility of the Trustee. Pension scheme legislation and regulations require the Trustee to make available to the Isle of Man Financial Services Authority audited financial statements for each scheme year which:

- show a true and fair view of the financial transactions of the Plan during the period and of the amount and disposition at the end of the period of its assets and liabilities, other than the liabilities to pay relevant benefits after the end of the period;
- state whether applicable International Accounting Standards, comprising IFRS, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- contain the information specified in Schedule 3 of The Retirement Benefits Schemes (International Schemes) Regulations 2001.

The Trustee has supervised the preparation of the financial statements and has agreed suitable accounting policies, to be applied consistently, making any accounting estimates and judgements on a prudent and reasonable basis.

The Trustee is also responsible for making available certain other information about the Plan in the form of an Annual Report.

The Trustee is responsible under pensions legislation for ensuring that there is prepared, maintained, and from time to time revised, a payment schedule showing the rates of contributions payable towards the scheme by or on behalf of the employers and the active members of the Plan and the dates on or before which such contributions are to be paid. The Trustee is also responsible for keeping records in respect of contributions received in respect of any active member of the Plan and for monitoring whether contributions are made to the Plan by the employers in accordance with the payment schedule. Where breaches of the payment schedule occur, the Trustee is required by the Retirement Benefits Schemes Act 2000 to give notice to the Isle of Man Financial Services Authority and the members of the Plan.

The Trustee also has a general responsibility for ensuring that adequate accounting records are kept and for taking such steps as are reasonably open to it to safeguard the assets of the Plan and to prevent and detect fraud and other irregularities, including the maintenance of an appropriate system of internal control.

Prepared and signed by Equiom (Isle of Man) Limited
as Trustee of The DIFC Employee Workplace Savings Plan

....Director
N C Johnston

....Director
F D Noon

Date: 30th June 2021

KPMG LLP
Unit No. 819, Liberty House
DIFC, P.O. Box 3800
Dubai, United Arab Emirates
Tel. +971 (4) 403 0300, www.kpmg.com/ae

Independent Auditors' Report

To the Board of Directors of Equiom (Isle of Man) Limited, in its capacity as Trustee of Dubai International Financial Center Employee Workplace Savings Plan ("Trust").

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Dubai International Financial Centre Employee Workplace Savings Plan ("Trust"), which comprise the statement of net assets as at 31 December 2020, the statements of profit or loss and other comprehensive income, trust account and cash flows for the period from 27 January 2020 (date of establishment) to 31 December 2020, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the net assets position of the Trust as at 31 December 2020, and its financial performance and its cash flows for the period from 27 January 2020 (date of establishment) to 31 December 2020 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 Trust in accordance with International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the Dubai International Financial Centre ("DIFC") 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.

Other Information

Management is responsible for the other information. The other information comprises the Report of the Trustee and Statement of Trustee's responsibilities.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Other Information (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 their preparation in compliance with the applicable provisions of the Trust Law pursuant to DIFC Law No. 4 of 2018, regulation 14 of the Retirement Benefits Schemes (International Schemes) Regulations 2001 and section 15 of the Retirement Benefits Scheme Act 2000, 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 Trust'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 Trust or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are responsible for overseeing the Trust'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.

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

- 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 Trust'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 Trust'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 Trust 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 LLP

KPMG LLP

Supriya Kubal
DFSA Reference Number: 1012940
Dubai, United Arab Emirates
Date: 30 June 2021

STATEMENT OF NET ASSETS
as at 31 December 2020

	Notes	2020 US$
ASSETS		
Investments – Carried at fair value	5	118,866,131
Cash and cash equivalents	6	396,909
Debtors		319,809
		716,718
		119,582,849
LIABILITIES		
Benefits due to Members		(211,011)
Other Creditors		(100)
		(211,111)
NET ASSETS OF THE PLAN		119,371,738

The financial statements on pages 10 to 21 were approved by the Trustee on 30th June 2021 and signed on behalf of the Trustee by:

..............................Director
N C Johnston

..............................Director
F D Noon

The notes on pages 14 to 21 form an integral part of these financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the period 27 January 2020 (date of establishment) to 31 December 2020

Income	
Rebate income	588,524
Change in fair value of investments carried at fair value	8,696,384
	9,284,908
Expenses	
Management expenses	(588,524)
	(588,524)
Total profit for the period	**8,696,384**
Other comprehensive income	**-**
Total comprehensive income for the year	**8,696384**

The notes on pages 14 to 21 form an integral part of these financial statements.

STATEMENT OF TRUST ACCOUNT
for the period from 27 January 2020 (date of establishment) to 31 December 2020

	2020 US$
CONTRIBUTIONS	
Initial settled funds	100
Contributions from Participating Employers	114,130,267
	114,130,367
BENEFITS	
Member withdrawals	(3,455,013)
Net additions from dealings with members	110,675,354
RETURNS ON INVESTMENTS	
Net profit and total comprehensive income for the period	8,696,384
Increase in the fund during the period	119,371,738
Net assets of the plan brought forward	-
NET ASSETS OF THE PLAN	119,371,738

The notes on pages 14 to 21 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS
for the period from 27 January 2020 (date of establishment) to 31 December 2020

	Notes	2020 US$
WORKING CAPITAL MOVEMENTS		
Increase in debtors		(319,809)
Increase in creditors		211,111
Net cash used in operating activities		(108,698)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of investments		(113,958,497)
Disposal of investments		3,788,750
Net cash used in investing activities		(110,169,747)
CASH FLOW FROM FINANCING ACTIVITIES		
Initial Settled Funds		100
Contributions from Participating Employers		114,130,267
Member withdrawals		(3,455,013)
Net cash generated from financing activities		110,675,354
Net increase in cash and cash equivalents		396,909
Cash and cash equivalents at the beginning of the period		-
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		396,909

NOTES TO THE FINANCIAL STATEMENTS
for the period from 27 January 2020 (date of establishment) to 31 December 2020

1. GENERAL INFORMATION

The Plan is established as a trust under the laws of the DIFC by a Trust Deed dated 27 January 2020. The DEWS Plan is a progressive end-of-service benefits plan introduced within the DIFC to restructure the currently defined employee benefit plan into a funded and professionally managed, defined contribution plan. The initiative also offers a voluntary savings plan, allowing employees working in the DIFC to secure their financial future. This Plan is approved by the DFSA as an Employee Money Purchase Scheme in the DIFC.

The address for enquiries to the Plan is:

Equiom (Isle of Man) Limited (DIFC Branch), Office 302, Liberty House, DIFC, Dubai, United Arab Emirates, P.O. Box 49042.

Equiom (Isle of Man) Limited (DIFC Branch), regulated by the DFSA and the IOM FSA, will be acting as the Master Trustee for the DEWS Plan. Equiom act as the independent legal owner of the assets within the Plan.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Plan have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Boards (IASB), applicable provisions of the Trust Law pursuant to DIFC Law No. 4 of 2018, regulation 14 of the Retirement Benefits Schemes (International Schemes) Regulations 2001 and section 15 of the Retirement Benefits Scheme Act 2000.

(b) Basis of measurement

These financial statements have been prepared on the historical cost basis except for investments which are measured at fair value.

(c) Functional and presentation currency

The financial statements are presented in United States Dollars ("US$") which is the functional currency of the Plan.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets, 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 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.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the period from 27 January 2020 (date of establishment) to 31 December 2020

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in the financial statements.

(a) Contributions receivable

Employers' contributions are accounted for on a receipts basis in the month in which they are received.

(b) Benefits

Benefits are included in the financial statements on the date entitlements are paid to the Member.

(c) Investment income

All investment income is reinvested into the funds.

(d) Net gain or loss from financial assets at fair value

Gains or losses on financial assets at fair value through profit or loss include realised gains or losses arising on the sale of financial assets which are recognised in profit or loss when the Plan has transferred the risk and rewards of ownership of the financial assets to another party. In addition, any unrealised gains or losses arising from a change in fair value of such financial assets are also recognized in the statement of changes in net assets in the period in which they arise.

Where investment income is reinvested without issue of further units, this is also included within "Increase in market value of investments" in the statement of changes in net assets.

(e) Expenses

The expenses of the Plan are met by way of a rebate accrued for and deducted by the investment managers from the investments held within the Plan, as set out in these financial statements.

The rebate is equal to the agreed amount as set out in the Trusteeship Agreement between the Trustee and the Supervisory Board of the Plan, being 1.23% of assets under management, and is ultimately split between the Trustee and its service providers as follows:

Equiom (Isle of Man) Limited (DIFC Branch)	0.2%
Mercer Global Investments Europe Limited and Mercer Financial Services Middle East Ltd.	0.23%
Zurich Workplace Solutions (Middle East) Limited	0.8%

A total of US$588,524 was accrued for and deducted during the period ended 31 December 2020, divided as follows:

Equiom (Isle of Man) Limited (DIFC Branch)	US$95,695
Mercer Global Investments Europe Limited and Mercer Financial Services Middle East Ltd.	US$110,049
Zurich Workplace Solutions (Middle East) Limited	US$382,780

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the period from 27 January 2020 (date of establishment) to 31 December 2020

3. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

(f) Financial instruments

A financial instrument is any contract that gives rise to both a financial asset for the Plan and a financial liability or equity instrument of another party. All assets and liabilities in the statement of net assets are financial instruments.

Initial recognition

Financial assets and liabilities at fair value through profit or loss are recognised initially on the trade date at which the Plan becomes a party to the contractual provisions of the instrument. Other financial assets and liabilities are recognised on the date they originated.

Financial assets and liabilities at fair value through profit or loss are measured initially at fair value, with changes in their fair value recognised in the statement of changes in net assets. Financial assets and liabilities not at fair value through profit or loss are measured initially at fair value plus transaction costs that are directly attributable to its acquisition or issue.

Classification

On initial recognition, the Plan classifies financial assets as measured at amortised cost or fair value through profit or loss ("FVTPL"). A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
Its contractual terms give rise on specific dates to cash flows that are solely payments of principal and interest.

The Trustee has determined all financial assets on historical costs basis except for investments carried at fair value through profit or loss, which are measured at fair value basis.

Measurement

Amortised cost measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal payments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

Fair value measurement

'Fair value' is the price that would be received to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date in the principle or, in its absence, the most advantageous market to which the Plan has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Plan measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the period from 27 January 2020 (date of establishment) to 31 December 2020

3. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

(f) Financial instruments - continued

De-recognition

The Plan derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Plan neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control of the financial asset.

Any interest in transferred financial assets that qualify for de-recognition that is created or retained by the Plan is recognised as a separate asset or liability in the statement of net assets. On de-recognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised), and the consideration received (including any new asset obtained less any liability assumed) is recognised in the statement of changes in net assets.

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

Offsetting

Financial assets and liabilities are offset and the net amount is reported in the statement of net assets when, and only when, the Plan has a legal right to offset the recognised amounts and it intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only where permitted under IFRSs, for example, for gains and losses arising from a group of similar transactions such as gains and losses from financial investments at fair value through profit or loss.

(g) Foreign currencies

Transactions denominated in foreign currencies are translated into United States Dollars (“US$”) and recorded at the rate of exchange at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated into US$ at the foreign exchange rate at that date.

Non-monetary assets and liabilities that are measured at fair value in foreign currency are translated into the US$ at the exchange rate when fair value was determined. Non-monetary items are based on historical cost in a foreign currency are translated at the exchange rate at the date of transaction.

Gains and losses on translation are included in the statement of changes in net assets as part of the “Increase in market value of investments”.

(h) Cash and cash equivalents

Cash and cash equivalents include unrestricted balances held with banks and highly liquid financial assets with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value, and are used by the Plan in the management of its short-term commitments.

Cash and cash equivalents are carried at amortised cost in the statement of net assets.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the period from 27 January 2020 (date of establishment) to 31 December 2020

4. CHANGE IN FAIR VALUE OF INVESTMENTS

	2020 US$
Market value of investments brought forward	-
Add:-	
Purchase of units during the period	113,958,497
Net profit and total comprehensive income for the period	8,696,384
	122,654,881
Less:-	
Disposals during the period	(3,788,750)
	(3,788,750)
Market value of investments carried forward	118,866,131

5. INVESTMENTS

Summary of unit holding by fund:

	Market Value 2020 US$
Quoted Securities	
Mercer USD Cash Fund	3,614,633
Mercer Multi Asset Balanced Growth Fund	90,138,501
Mercer Diversified Growth (USD Hedged) Fund	6,166,943
Mercer Multi Asset Growth (USD Hedged) Fund	6,709,439
Mercer Multi Asset High Growth (USD Hedged) Fund	11,403,038
Emirates NBD Islamic Money Market Fund	833,577
	118,866,131

6. CASH AND CASH EQUIVALENTS

	2020 US$
Standard Chartered Bank	396,909
Total cash at bank	396,909

The majority of the cash held with Standard Chartered Bank is purely transitory, waiting to be sent to the investment advisors or repaid to Members for cash withdrawals.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the period from 27 January 2020 (date of establishment) to 31 December 2020

7. FINANCIAL RISK MANAGEMENT

Introduction and overview

All of the Plan's activities involve analysis, evaluation, acceptance and management of some degree of risk or combination of risks. The most important types of risk are credit risk, market risk, liquidity risk and operational risk. Market risk includes foreign exchange and interest rate risk.

Risk management framework

The Trustee has engaged with Mercer Financial Service Middle East Ltd. as investment advisor, to assist the Trustee in preparing the investment arrangements and investment policy which are set out within the Statement of Investment Principles (the "SIP").

Whilst the responsibility for deciding on investment arrangements and investment policy rests with the Trustee, selection of specific investments on a day to day basis is delegated to their appointed Investment Managers, Mercer Global Investments Europe Limited and Emirates NBD Asset Management Limited, who have the required skill and expertise necessary to manage the investments competently.

Those Investment Managers, within the stated guidelines for each selected fund within the DEWS Plan, implement changes in the asset mix and select the securities within each asset class, ensuring appropriate diversification and ongoing suitability of those investments held within the chosen funds.

The Trustee manages investment risks, including credit risk and market risk, within agreed risk limits which are set taking into account the Plan's strategic investment objectives. The investment objectives and risk limits are implemented by close liaison with the investment managers and monitored by the Trustee, in conjunction with its investment advisor, by regular reviews of the investment portfolio.

The management of all risks which are significant to the Plan are discussed below.

(a) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Plan, resulting in a financial loss to the Plan. The Plan's financial assets which are potentially subject to concentration of credit risk consist of cash and cash equivalents.

The Trustee seeks to manage its credit risks by monitoring credit exposures and assessing the creditworthiness of counterparties. Credit risk is managed by placing funds with banks and institutions with acceptable credit ratings.

The maximum credit exposure of the Plan at the reporting date is US$396,909. The credit quality of cash and cash equivalents is assessed as satisfactory risk and has been assessed by the Trustee as recoverable.

(b) Market risk

Market risk is the risk that movements in market risk factors, including foreign exchange rates, interest rates and equity prices will reduce the Plan's income or the value of its investments. Market risk arises principally from mismatches between the future yield on assets and their funding cost, as a result of interest rate changes.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the period from 27 January 2020 (date of establishment) to 31 December 2020

7. FINANCIAL RISK MANAGEMENT - CONTINUED

(b) Market risk - continued

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The majority of the Plan’s financial assets and liabilities are non-interest bearing.

The Plan is not exposed to any significant interest rate risk.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Plan is not exposed to any significant foreign currency risk as the significant assets and liabilities of the Plan are denominated in US$.

Other fair value risk

This is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or by factors affecting all similar financial instruments traded in the market.

The Plan's investments are subject to indirect foreign exchange, interest rate and other price risk arising from the underlying financial instruments held in the funds.

At 31 December 2020, had the market price of investments increased/decreased by 5%, with all other variables remaining constant, the value of investments would have been US$5,943,307 higher/lower.

(c) Liquidity risk

Liquidity risk is the risk that the Plan will encounter difficulty in meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset, or that such obligations will have to be settled in a manner disadvantageous to the Plan.

The Plan is not exposed to liquidity risks as it has no ongoing financial commitments.

(d) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Plan’s operations either internally within the Plan or externally at the Plan’s service providers, 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 investment management behaviour. Operational risks arise from all of the Plan’s activities.

The Trustee manages this risk through a controls-based environment in which processes are documented, authorisation is independent and transactions are reconciled and monitored.

The Trustee monitors the creditworthiness of the investment managers by reviewing published credit ratings and/or their regulated status in the jurisdictions in which they are based.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the period from 27 January 2020 (date of establishment) to 31 December 2020

8. FAIR VALUE HIERARCHY

The Trustee measures fair values of financial instruments using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1 Quoted market price (unadjusted) in an active market for an identical instrument. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry, group, pricing service or regulatory agency, and those prices represent actual and regularly recurring market transactions on an arm's length basis.

Level 2 Valuation techniques based on observable inputs, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3 Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs based on un-observable data and the unobservable inputs have a significant effect on the instruments' valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Investments measured at fair value:

At 31 December 2020

	Level 1	Level 2	Level 3	Total
Funds	118,866,131	-	-	118,866,131

Financial instruments not measured at fair value:

The fair values of financial assets and liabilities of the Plan are not materially different from their carrying values at the reporting date and would qualify for a level 3 classification except for bank balances which are level 2 classification in these financial statements under IFRS.

9. TAXATION

The Plan is not subject to Isle of Man Income Tax.

10. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. In the case of the Plan, related parties, as defined in the International Accounting Standard No. 24, include the Trustee, Directors and officers of the Trustee and companies of whom they are principal owners and key management personnel. Transactions with the Trustee are disclosed in note 3(e) to the financial statements.

11. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at 31 December 2020.