

Balance sheet

Chamber of diving and water sports

For Financial Year

Ended June 30, 2022

Chartered accountants office & partners

Mohamed Fekry Abd El Kariem

Shafik Naguib Ghaly

Magdy Neseem Riad

1SAKET ELFADL St. Talaat Harb St. / Cairo

Tel: 23957447 to 23900253

Fax: 23930070

Auditor's Report

To: chairmen's of chamber of diving and water sports

Report on the Financial Statements

We have audited the accompanying financial statements of Chamber of Diving and Water Sports, which comprise the balance sheet as at June 30, 2022, the income statement and statement of cash flows for the year then ended, and a summary of the significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

These financial statements are the responsibility of the company's managements.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Egyptian accounting standards and in light of the prevailing Egyptian laws. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances .

Auditor's Responsibility

Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the Egyptian Standards on auditing and in light of the prevailing Egyptian laws. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or errors. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we obtained is sufficient and appropriate and provide a reasonable basis for our opinion on the financial statements.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Chamber of diving and water sports as at June 30, 2022, and of its financial performance and its cash flows for the financial year then ended in accordance with the Egyptian Accounting Standards and in the light of the prevailing Egyptian laws and regulations.

Report on the legal and other Regulation Requirements

The chamber of diving and water sports maintains proper books of accounts, which include all that is required by law and by the statutes of the chamber. The financial statements are in agreement with the chamber's books of accounts.

Cairo, , 2022

Chartered accountants office & partners

Mohamed fekry abd el Kareem and partners

Directory

| page no. | <u>Description</u> |
|---------------------|---|
| 1 | <u>Auditor's Report</u> |
| 2 | <u>Balance sheet At June 30, 2022</u> |
| 4 : 3 | <u>Revenues and Expenses statement June 30, 2022</u> |
| 7 : 5 | <u>Cash flow statement June 30, 2022</u> |
| 15 : 8 | <u>Note for the financial statements at June 30, 2022</u> |
| 8 | <u>About the Chamber of Diving and Water Sports</u> |
| 9 | <u>The most applicable accounting policies</u> |
| 10 | <u>Accounts receivable-related parties</u> |
| 11 | <u>Cash on hand and at bank</u> |
| 12 | <u>Other current liabilities</u> |
| 13 | <u>General and administrative expenses</u> |
| 14 | <u>Collected membership –Tourist ministry subsidize</u> <u>Membership fees accrued</u> |
| 15 | <u>Depreciation of Fixed assets</u> |

Notes for the financial statements at 30 June 2022

1- About the Chamber of Diving and Water Sports:

- The chamber of diving and water sports has been established by the Ministerial Decree 266 for year 2007.
- CDWS is concerned about the dive and water sports operations and safari yachts interests.
- CDWS represents her members in front of public authorities, national and international organizations in order to improve and develop the diving and water sports industry.
- CDWS members pay the annual membership fee to the chamber as per the board of directors' decision. These memberships' fees are the main financial fund of CDWS used to achieve its goals.
- CDWS main office address is located at 8 ElSaad ElAly Street – EIDokki – EIGiza.
- As per the Ministry of Tourism decree # 532 for year 2007 , the chamber of diving and water sports has two branch offices , one is in South Sinai governorate in Sharm Elsheikh and the other is in Red Sea **governorate in Hurghada.**

2- CDWS funds:

- **CDWS financial resources come from the annual membership decided by the board of directors and paid by CDWS members, to achieve the goals set by the chamber to improve the diving industry.**

3- The most applicable accounting policies:

a) Preparing and presenting financial statements :

- The financial statements have been prepared and presented in accordance with the Egyptian accounting standards and applicable laws and regulations.
- Some comparative figures have been reclassified to conform to the presentation of the financial statements for the current year.

b) Foreign currency valuation :

- CDWS accounts are in Egyptian pound. When transactions are made in foreign currency, it is recorded in CDWS enrollments as per the exchange rate at the Time of the transaction. At the balance sheet date, the assets and liabilities monetary foreign currency are evaluated according to exchange rates published at that date and the revaluation result - whether debit or credit – is included in revenue and expenditure account.

c) Fixed assets and depreciation:

The fixed assets are recorded at their historical cost. These assets are depreciated as per the straight-line method and according to the following rates:

- | | |
|--------------------------|--------|
| - Buildings | "2%". |
| - Offices Furniture | "25%" |
| - Devices and equipments | "30%." |
| - PC's | "50%". |
| - Fixtures | "25%." |
| - Cars, | "20%". |
- An annual auction for the fixed assets is held yearly and through a committee formed by the Secretary General decree.

Chamber of diving and water sports
Statement of financial position
At June 30, 2022

EGP

| Description | Note | page no. | June 30, 2022 | June 30, 2021 |
|--|------|----------|-------------------|------------------|
| <u>Assets</u> | | | | |
| <u>Non-current assets</u> | | | | |
| Fixed assets,net | (9) | (15) | 604 364 | 417 734 |
| <u>Total non-current assets</u> | | | 604 364 | 417 734 |
| <u>current assets</u> | | | | |
| Inventory accessories | | | 82 604 | 13 417 |
| Accounts receivable | (4) | (10) | 691 304 | 915 852 |
| Cash on hand and at banks | (5) | (11) | 10 648 113 | 8 423 750 |
| <u>Total current assets</u> | | | 11 422 021 | 9 353 019 |
| <u>Total Assets</u> | | | 12 026 385 | 9 770 753 |
| <u>Equity</u> | | | | |
| Legal reserve | (8) | (14) | 1 671 005 | 1 560 545 |
| Accumulated surplus | (8) | (14) | 4 811 813 | 5 591 390 |
| Net surplus (deficit) for the year | | | 3181 608 | (234 460) |
| <u>Total equity</u> | | | 9 664 427 | 6 917 475 |
| <u>Non - current liabilities</u> | | | | |
| Provision for end of service benefits | | | 582 392 | 582 392 |
| Provision of implementation of international standards | | | 506 616 | 506 616 |
| <u>Total non-current liabilities</u> | | | 1 089 008 | 1 089 008 |
| <u>Current liabilities</u> | | | | |
| Other current liabilities | (6) | (12) | 1 272 950 | 1 764 270 |
| <u>Total current liabilities</u> | | | 1 272 950 | 1 764 270 |
| <u>Total equity and liabilities</u> | | | 12 026 385 | 9 770 753 |

The accompanying notes form an integral part of these financial statements and are to be read therewith .

* Auditor's report attached

Chief Accountant

Treasurer

Chairman of Board of Director

Chamber of diving and water sports
Revenues and Expenses statement
For The Period from 1 July 2021 till 30 June 2022

EGP

| Description | Note | page no. | From July 1, 2021 Till June 30, 2022 | From July 1, 2020 Till June 30, 2021 |
|--|------|----------|---|---|
| <u>Revenues</u> | | | | |
| Collected membership fees | | | 1 007 400 | 552 100 |
| Revenue for services | | | 4 346 150 | 1 988 550 |
| Member Services revenues | | | 3 816 269 | 1 661 325 |
| Registration fees for the first time | | | 990 000 | 700 000 |
| Revenues of implementation of international standards | | | 3 147 799 | 2 045 114 |
| Revenue of training courses | | | 299 500 | — |
| Other revenues | | | 174 | 40 490 |
| <u>Total revenues</u> | | | 13 607 292 | 6 987 579 |
| <u>Add - Other revenues</u> | | | | |
| Credit interest | | | 582 271 | 595 780 |
| <u>Total revenues</u> | | | 14 189 563 | 7 583 359 |

Chamber of diving and water sports
Revenues and Expenses statement
For The Period from 1 July 2021 till 30 June 2022

EGP

| Description | Note | page no. | From July 1, 2021 To June 30, 2022 | From July 1, 2020 To June 30, 2021 |
|--|------|----------|---------------------------------------|---------------------------------------|
| <u>Less - total revenues</u> | | | | |
| <u>Expenses</u> | | | | |
| General and administrative expenses | (7) | (13) | 6 316 298 | 4 317 999 |
| Implementation of international standards expenses | | | 3 655 196 | 3 002 079 |
| Cost of training courses | | | 235 204 | — |
| Expenses of previous years | | | — | 11 860 |
| <u>Total Expenses</u> | | | 10 206 699 | 7 331 938 |
| <u>Add - Other expenses</u> | | | | |
| Depreciation of Fixed assets | (9) | (15) | 298 011 | 161 620 |
| Foreign exchange differences | | | 1 285 | 72 302 |
| <u>Total Expenses</u> | | | 10 505 995 | 7 565 860 |
| <u>Net profit</u> | | | 3683 568 | 17 499 |
| <u>Distribution as :</u> | | | | |
| 30% Share of egyption fedration | (8) | (14) | 302 220 | 136 470 |
| 10% Share of egyption fedration | | | 99 000 | 70 000 |
| 10 % Legal reserve | (8) | (14) | 100 740 | 45 490 |
| <u>Net surplus (deficit) for the year</u> | | | 3181 608 | (234 461) |
| | | | 3683 568 | 17 499 |

The accompanying notes form an integral part of these financial statements and are to be read therewith

Chief Accountant

Treasurer

Chairman of Board of Directors

Chamber of diving and water sports
Cash flow statement
For The Period from 1 July 2021 till 30 June 2022

EGP

| Description | Note | page no. | From July 1, 2021 To June 30, 2022 | | From July 1, 2020 To June 30, 2021 | |
|--|------|-------------|---------------------------------------|------------------|---------------------------------------|-----------------|
| | | | Partial | Total | Partial | Total |
| <u>Cash flows from operating activities</u> | | | | | | |
| Collected membership fees | | | 957 000 | | 454 900 | |
| Revenue for services | | | 4161 250 | | 1607 250 | |
| Member Services revenues | | | 3816 269 | | 1661 325 | |
| Registration fees for the first time | | | 990 000 | | 700 000 | |
| Revenues of implementation of international standards | | | 3046 354 | | 1880 883 | |
| Revenue of training courses | | | 299 500 | | — | |
| Support the Tourism Fund for training programs for workers in the sector | | | 182 495 | | — | |
| United Nations support for the implementation of the Green Fins program | | | 112 223 | | 151 030 | |
| Collected Notes receivable | | | 83 225 | | — | |
| International exhibitions revenues | | | 45 912 | | — | |
| Overpayments from members | | | 3 110 | | — | |
| Other revenues | | | 174 | | 40 490 | |
| Collected membership fees advance | | | — | | 336 745 | |
| <u>Total Cash flows from operating activities</u> | | | | 13697 512 | | 6832 623 |

Chamber of diving and water sports
Cash flow statement
For The Period from 1 July 2021 till 30 June 2022

EGP

| Description | Note | page no. | From July 1, 2021 To June 30, 2022 | | From July 1, 2020 To June 30, 2021 | |
|--|------|-------------|---------------------------------------|--------------------|---------------------------------------|-------------------|
| | | | Partial | Total | Partial | Total |
| <u>Cash out flows from operating activities</u> | | | | | | |
| General and administrative expenses | | | 6208 809 | | 4267 290 | |
| Implementation of international standards expenses | | | 3655 196 | | 3002 079 | |
| Cash allowance for the annual vacation balance of employees | | | 506 236 | | — | |
| Egyptian federation of chambers of tourism | | | 352 150 | | 195 540 | |
| Tourism Revitalization Authority - Exhibitions | | | 290 342 | | — | |
| Cost of training courses | | | 148 191 | | — | |
| International exhibitions expenses | | | 93 667 | | — | |
| Fawry for banking technology and electronic payment | | | 75 760 | | — | |
| Inventory accessories | | | 69 187 | | — | |
| Accrued expenses | | | 62 835 | | 33 047 | |
| Temporary custody with employees | | | 58 530 | | — | |
| Prepaid expenses (health insurance) | | | 33 383 | | — | |
| Installments paid to Kanoo trade company | | | 8 208 | | — | |
| Payment of insurances to others | | | 7 000 | | — | |
| Payment of social insurance and tax | | | — | | 160 934 | |
| Support the Tourism Fund for training programs for workers in the sector | | | — | | 125 867 | |
| United Nations support for the implementation of the Green Fins program | | | — | | 121 093 | |
| Expenses of previous years | | | — | | 11 860 | |
| <u>Cash out flows from operating activities</u> | | | | (11569 494) | | (7917 710) |
| <u>Net Cash flows from operating activities</u> | | | | 2128 018 | | (1085 087) |

Chamber of diving and water sports
Cash flow statement
For The Period from 1 July 2021 till 30 June 2022

EGP

| Description | Note | page no. | From July 1, 2021 To June 30, 2022 | | From July 1, 2020 To June 30, 2021 | |
|--|------|-------------|---------------------------------------|-----------|---------------------------------------|-----------|
| | | | Partial | Total | Partial | Total |
| <u>Cash flows from investing activities</u> | | | | | | |
| Credit interest | | | 582 271 | | 595 780 | |
| <u>Total Cash flows from investing activities</u> | | | | 582 271 | | 595 780 |
| <u>Cash out flows from investing activities</u> | | | | | | |
| Payment for purchase of fixed assets | | | 484 640 | | 64 546 | |
| <u>TotalCash out flows from investing activities</u> | | | | (484 640) | | (64 546) |
| <u>Net Cash flows from investing activities</u> | | | | 97 630 | | 531 234 |
| <u>Cash flows from financing activities</u> | | | | | | |
| <u>Net Cash flows from financing activities</u> | | | | — | | — |
| Net change in cash and cash equivalents | | | | 2225 648 | | (553 853) |
| Cash and cash equivalent at beginning of the year | | | | 8423 750 | | 9049 905 |
| Foreign exchange differences | | | | (1 285) | | (72 302) |
| Cash and cash equivalent at end of the year | (5) | (11) | | 10648 113 | | 8423 750 |

The accompanying notes form an integral part of these financial statements and are to be read therewith .

Chief Accountant

Treasurer

Chairman of Board of Directors

Chamber of diving and water sports
Depreciation of Fixed assets
For The Period from 1 July 2021 till 30 June 2022

Note no(9)

| Description | Cost in 01/07/2021 | Additions | Disposals through 1year | Total book value 30/06/2022 | Accumulated depreciation in 01/07/2021 | Depreciation for the year | Accumulated depreciation in 30/06/2022 | Net book value 30/06/2022 |
|--|-----------------------|----------------|----------------------------|-----------------------------------|--|------------------------------|--|---------------------------------|
| Equipment and decorations | 49 780 | 32 057 | 0 | 81 837 | 47 556 | 6 176 | 53 733 | 28 104 |
| Equipment and decorations(subsidize) | 19 584 | 0 | 0 | 19 584 | 19 572 | 0 | 19 572 | 12 |
| Furniture | 313 543 | 44 792 | 0 | 358 335 | 253 030 | 37 523 | 290 553 | 67 781 |
| Office equipment (subsidize) | 39 159 | 0 | 0 | 39 159 | 39 159 | 0 | 39 159 | 0 |
| Equipment | 275 768 | 217 967 | 0 | 493 735 | 205 339 | 54 965 | 260 304 | 233 430 |
| Equipment (subsidize) | 188 532 | 0 | 0 | 188 532 | 188 506 | 0 | 188 506 | 26 |
| Computers | 860 684 | 189 825 | 0 | 1050 509 | 576 211 | 199 346 | 775 557 | 274 952 |
| Cars | 116 000 | 0 | 0 | 116 000 | 115 999 | 0 | 115 999 | 1 |
| Computers (subsidize) | 132 181 | 0 | 0 | 132 181 | 132 123 | 0 | 132 123 | 58 |
| Total | 1995 230 | 484 640 | 0 | 2479 870 | 1577 497 | 298 011 | 1875 508 | 604 364 |

Note for the financial statements
For The Period from 1 July 2021 till 30 June 2022

4.Accounts receivable

| Description | Amount (EGP) |
|---|----------------|
| Payroll tax (staff) | 311 445 |
| Fawry for banking technology and electronic payment | 160 450 |
| Health & Life insurance (staff) | 101 179 |
| Temporary custody with employees | 58 530 |
| Insurance for others (4/1) | 56 700 |
| Portfolio notes receivable | 3 000 |
| Total | 691 304 |

4/1) Insurance for others

| Description | Amount (EGP) |
|---|----------------|
| Rent Insurance (red sea) New office | 20 000 |
| Rent Insurance (south of siani) New office | 15 500 |
| Rent Insurance (south of siani) old office | 11 200 |
| Rent Insurance (south of siani) New office | 7 000 |
| Rent Insurance (south of siani) New office | 3 000 |
| Total | 56 700 |

5.Cash on hand and at bank

| Description | Amount (EGP) |
|---|-------------------|
| Deposits with the Bank - Al Ahli Bank of Kuwait (EGP) | 5838 730 |
| Arab African International Bank (EGP) | 3670 389 |
| Al Ahli Bank of Kuwait (EGP) (5/1) | 726 499 |
| Arab African International Bank (EURO) | 269 083 |
| Al Ahli Bank of Kuwait (EURO) | 141 989 |
| Al Ahli Bank of Kuwait (GBP) | 1 423 |
| Total | 10 648 113 |

5/1) Bank Reconciliation**EGP**

| Description | Al Ahli Bank of Kuwait - EGP | Arab African Bank - EURO | Al Ahli Bank of Kuwait - EURO |
|-------------------------|------------------------------|--------------------------|-------------------------------|
| Book value in 30/6/2022 | 726 499 | 3670 389 | 141 989 |
| Notes payable | 3 496 | 39 957 | 397 |
| Bank book in 30/6/2022 | 729 995 | 3710 346 | 142 386 |

6.Other current liabilities

| Description | Amount (EGP) |
|---|-----------------|
| Payroll tax | 495 037 |
| Other creditors | 405 966 |
| Social insurance organization | 111 719 |
| Egyptian Federation of Chambers of Tourism (8) | 92 599 |
| Accrued expenses (6/1) | 66 104 |
| United Nations support for the implementation of the Green Fins program | 65 736 |
| Accrued Installments to Kanoo Trade Company | 12 312 |
| Overpayments from members | 8 185 |
| Insurance from others | 6 750 |
| Tax authority - Withholding tax | 6 707 |
| Martyrs Honor Fund | 1 835 |
| Total | 1272 950 |

6/1)Accrued expenses

| Description | Amount (EGP) | |
|----------------------------------|----------------|----------------|
| Professional fees | 30 000 | Head office |
| Rentals | 28 000 | South of siani |
| electric invoice of June accrued | 4 400 | South of siani |
| Water and maintenance fees | 3 704 | South of siani |
| Total | 66 104 | |

7.General and administrative expenses**EGP**

| Description | Head office | South of siani | Red Sea | Total |
|--|------------------|-------------------|------------------|------------------|
| Wages and salaries | 1 618 639 | 514 059 | 875 061 | 3 007 759 |
| Accommodation allowance | 142 800 | 59 400 | 80 100 | 282 300 |
| Internal transportation expenses | 63 375 | 37 355 | 79 775 | 180 505 |
| CDWS share of social insurance | 134 107 | 76 775 | 154 826 | 365 708 |
| Rent expense | – | 221 000 | 77 100 | 298 100 |
| Prints | 2 001 | – | – | 2 001 |
| Office supplies | – | 27 054 | 9 957 | 37 011 |
| Inks and PC accessories | 5 361 | 4 642 | 16 729 | 26 732 |
| Telephone and fax expenses | 96 824 | 12 860 | 7 574 | 117 258 |
| Mail and Shipping expenses | 2 323 | 3 951 | 3 090 | 9 364 |
| Water and electric expenses | – | 33 920 | 14 665 | 48 585 |
| Maintenance expenses | 2 119 | 13 067 | 10 718 | 25 904 |
| Buffet and cleanliness expenses | – | 16 424 | 34 095 | 50 519 |
| Banking fees | 22 750 | – | – | 22 750 |
| Tips and gifts | 121 | – | – | 121 |
| Car expenses | 22 460 | 7 329 | – | 29 789 |
| Miscellaneous expenses | 21 443 | 13 757 | 9 351 | 44 551 |
| Boards of Directors and the General Assembly expenses | 47 491 | 5 000 | 39 676 | 92 168 |
| Member Services expenses | 11 813 | 17 550 | – | 29 363 |
| Attorneys' fees & issues' Expenses | 1 000 | – | – | 1 000 |
| Internal errand expenses | 59 028 | 535 | 14 200 | 73 763 |
| Professional fees | 65 442 | – | – | 65 442 |
| Public relations | 40 231 | – | – | 40 231 |
| Environmental projects | 270 057 | 6 262 | 4 605 | 280 924 |
| Developing and updating the Chamber's website | 449 576 | 2 310 | 597 371 | 1 049 257 |
| Health insurance (staff) | 135 193 | – | – | 135 193 |
| Total | 3 214 154 | 1 073 251 | 2 028 893 | 6 316 298 |

8. ETF & Legal reserve and Accumulated surplus**EGP**

| Description | ETF | Legal reserve | Accumulated surplus |
|---|---------------|------------------|---------------------|
| Opening balance 1/7/2021 | 14 369 | 1 560 545 | 5 356 930 |
| Payments to The Egyptian Tourism Federation (ETF) | (352 150) | – | – |
| Share of The Egyptian Tourism Federation (ETF) 30% from membership fees (1007400 EGP * 30%) | 302 220 | – | – |
| Legal reserve 10% from membership fees (1007400 EGP * 10%) | – | 100 740 | – |
| Share of The Egyptian Tourism Federation (ETF) 10% from Registration fees for the first time (990000 EGP * 10%) | 99 000 | – | – |
| Adjustment (97200 * 30%) membership fees from previous years | 29 160 | – | (29 160) |
| Adjustment (97200 * 10%) membership fees from previous years | – | 9 720 | (9 720) |
| Adjustment Cash allowance for the annual vacation balance of employees till 30/6/2021 | – | – | (506 236) |
| Balance 30/06/2022 | 92 599 | 1 671 005 | 4 811 813 |