



BAHRAIN
SOCIETY OF
ENGINEERS

BOARD OF DIRECTORS
REPORT

**ANNUAL
GENERAL MEETING**

06 JUNE

2021



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President Foreword

Dear BSE Members

I would like to warmly welcome you in this Annual General Assembly meeting where we virtually and distantly meet for the second consecutive year due to the pandemic. I hope that you and your families are in good health and I pray to Almighty Allah to save us all from this catastrophe soon and keep our beloved Kingdom of Bahrain safe.

I am pleased to present to you the Activities and Financial Reports for the year 2020 for discussion in the General Assembly meeting.

The impact of Covid-19 continued to negatively impact the activities of BSE and was not possible to organize the usual events. Conferences were on the top of the list, the majority of which were postponed until next year except two conferences that were organized virtually. The activities of the Training Center came to a halt and work is now in progress to revitalize the Center through providing virtual programs. This applies to all the activities of BSE which we were unable to organize. As a result, BSE has been drastically affected financially as could be seen in the Financial Report. A committee has been formed to study the ways for developing sources of income.

Next year, the Bahrain Society of Engineers will celebrate its Golden Jubilee under the patronage of His Majesty King Hamad bin Isa Al Khalifa, King of the Kingdom of Bahrain. The celebration will extend for a whole year covering many events. The Board of Directors has started preparing for this event since last December where a high-level organizing committee has been formed for this purpose. BSE is in the process of obtaining

financial sponsorships from companies to cover such expenses with some amounts to be funded by BSE to meet the expenses of printing the documentary brochure and videos.

Despite all the forgoing circumstances, BSE has continued its other available programs such BSE Award, Tamheed Program, virtual forums and providing scholarships to the students of the University of Bahrain. All committees continued working virtually such as Conferences & Forums Committee, Golden Jubilee Committee, Board of Trustees of the Training Center and Financial Resources Committee and other committees.

Finally, I would like to take this opportunity to express my thanks and gratitude to our wise Government and to all the authorities that continued supporting BSE and to the companies and institutions that have backed up and supported us.

BSE managed to be active despite the restrictions imposed by the pandemic, thanks to the members of the BSE who spared no efforts to keep the wheels turning as much as possible. I would like to thank my colleagues in the Board of Directors, chairmen and members of committees and the work team who all worked hard and exerted all efforts as usual and I hope more members will volunteer to serve BSE.

All the best to the Bahrain Society of Engineers

Dr. Dheya A. Aziz Tawfiq
President
Bahrain Society of Engineers



FIRST: EXECUTIVE SUMMARY

The General Assembly held its second meeting virtually due to the pandemic on 22nd July 2020 in the presence of 194 members where the President and four Board members were elected. During the first meeting of the Board, the positions were determined for the winning members.

The Board of Directors held 14 meetings during which various resolutions were passed to develop the approved workplan and execute BSE's programs and projects.

The Bahrain Society of Engineers will celebrate its Golden Jubilee in March 2022 under the patronage of His Majesty King Hamad bin Isa Al Khalifa, King of the Kingdom of Bahrain to commemorate its 50th anniversary. A high level organizing committee has been formed for this purpose and also sub-committees such as: the Main Celebration Committee, Documentation Committee and Media Committee. The celebration will be accompanied by an exhibition on the history of the Society in general, which will continue even after the main celebration in addition to a general conference for Engineers.

The Society has taken part in a number of official committees, mainly: The Council for Regulating the Practice of Engineering Professions, Supreme Council for Women and Corners Committee. The internal committees are: Conferences & Forums Committee, Recently New Graduate Engineers Employment and Training Committee (Tamheed), Media and Public Relations Committee, General Activities & Community Service Committee, BSE's Award Committee, Environment Committee (HPMP) and Information Technology Committee.

With regard to the Gulf, Arab and international committees, the Society continued its participation in the activities of the Gulf Engineering Union, Federation of Arab Engineers and World Federation for Engineering Organizations (WFEO).

The years 2020-2021 witnessed a sharp decline in the number of events that are organized by the Bahrain Society of Engineers due to the restrictions imposed by Covid 19 pandemic. However, the Society managed to organize a number of virtual seminars and conferences. The Conferences & Forum Committee organized two events: The 6th Virtual Arab ICT Forum and the 2nd International Event on Sustainable Energy.

The Advisory Committee for Conferences and Forums has been formed to evaluate the current plan and the committee's mechanism and held various meetings and discussed a number of important issues, most importantly the themes of conferences to ensure they are closely related to the current situation of the labour market in the Kingdom of Bahrain and the neighboring countries.

The Covid-19 has severely affected the programs of the Training Center and the year 2020 witnessed sharp decline in the number of training courses, workshops and seminars as a result of the restrictions imposed by the pandemic and in compliance with the instructions of the Ministry of Labour & Social Development to conditionally cease training courses. Nevertheless, the Training Center managed to organize a number of virtual seminars.

As part of the plan of the Board of Directors, the Training Center comes as a top priority in the strategic plan. The recently formed Board of Trustees of the Training Center has worked on a three-years workplan.

The General Activities & Community Service Committee commenced its activities in July 2020. The object of this committee is to organize Engineering and specialized seminars, symposia and forums, arrange

visits for members to the latest Engineering projects or those in progress in Bahrain. The committee arranged a number of virtual activities including the Bahraini Engineers Day celebration on 14 October 2020. The technical visits included visits to the new Bahrain International Airport on 10th December 2020 and to Tubli Plant Expansion on 6th January 2021. On seminars sphere, the General Activities & Community Service Committee managed to arrange a virtual discussion forum on “Real Estate Sector Challenges” on 22nd November 2020.

During the period from January to 31st December 2020 the Society received 245 membership applications, and after reviewing them by the Members and Profession Affairs Committee and introducing them to the Board of Directors, the Board approved 207 applications from various categories, while 20 applications remained under review, and 6 applications were disapproved for they did not meet the required standards adopted by the Society. Furthermore, membership upgrade requests for 16 members were approved.

The Media & Public Relations Committee issued nearly 35 different press releases covering various activities and events of the Society. These press releases were published in local, Arabic and foreign newspapers in different manners. The Media & Public Relations Committee collaborated with the Conferences & Exhibitions Committee in covering all the conferences and the accompanying exhibitions. The Committee also published Issue No. 69 of 2020 and Issue No.70 of 2021 of Almohandis Magazine. It also released one electronic copy of Almohandis Times during 2020 covering 5 months news, July until November 2020 and another copy that covered the news of December 2020 and January, February and March 2021.

The programs and projects during the period from July 2020 until March 2021 are as follows:

◆ **Recently New Graduates Employment & Training Program “Tamheed Project”:**

At the beginning of 2019, the committee supervising the “Recently New Graduates Employment & Training Program “Tamheed Project” laid down a workplan for the program. The workplan aims to regulate relations between the bodies involved in the project i.e. the trainee Engineers, Tamkeen and Ministry of Labour & Social Development. It also developed a training plan, approved in March 2019, to enhance the skills of the trainee Engineers. The work in the project progressed to the second stage which is obtaining permit for Tamheed Training Program from the concerned authorities. The program was approved in April 2019 and was uploaded in Tamkeen website among basic certificates. The third stage was commenced to start selecting the Engineers after determining the required conditions for enrolling in the program.

A large number of interviews took place to determine the first group which will enroll in the Tamheed Program, where 15 newly graduated Engineers were chosen to start in the program on 23 June 2019. Many groups followed later, reaching to the 9th group with a total of 170 trainee Engineers of which 109 completed the program, 40 trainees are still receiving training and 21 still did not start. Registration is ongoing for the next groups. The schedules and graphs shown in this report show the number of trainees that have been selected for the program, depending on the graduation year and specializations.

◆ **Information Technology Project**

The Society was unable to continue in this ambitious program that aimed at developing all IT related activities within the Society and for all other programs as explained earlier in the previous general assembly report. Such failure is attributed to the inability of the Society to fulfill the requirements of the project including the major delay in work and the difficulties encountered by the appointed company to provide technicians to execute the job and some other problems, until we reached to a point that we felt completely unconfident that the concerned company could complete the project. As a result, the Board of Directors decided to terminate the contract and file a case against the company to get refund for the



amounts that have already been paid to it in addition to all the related financial losses. The Office of Advocate Zeenat Al Mansoori has been assigned to represent the Society and file a case against the said company. Filing of the case has been completed before the Summary Proceedings Court at the time of writing this report.

◆ **Bahrain Society of Engineers Award:**

The second version of the award was completed and the names of winners were announced on 5 May 2021. The committee is in the process of arranging for the third version.

◆ **The Financial Manual :**

The Society started implementing the financial manual since the beginning of this year and accordingly a procurement committee was formed. Several suggestions have been submitted to effect some changes to the guide and develop its contents.

In this executive summary, we have tried in short to highlight the BSE achievements during the period 2020/2021 with further information on each item in this annual report for your reference. You will also find also a detailed report on financial matters and the report of the auditors.

SECOND: SECRETARIAL & EXTERNAL RELATIONS:

- a. The General Assembly has ordinarily convened virtually on 22 July 2020 in the presence of 194 members. Dr. Dheya Tawfiqi won as president for this term and the following as members of the board:
- Eng. Reem Ebrahim Khalfan
 - Eng. Raja Yousif Al Zayani
 - Eng. Dr. Haitham Al Qahtani
 - Eng. Dr. Raida Al Alawi
 - Reserve member: Eng. Mahdi Al Jalawi
- b. In the first meeting of the board of directors held on 25 July 2020, the positions were distributed as follows:
- Dr. Dheya A. Aziz Tawfiqi - President
 - Eng. Mohamed Ali Al Khozaae - Vice President
 - Eng. Jawad Jaffar Al Jabal - Secretary & Foreign Relations
 - Dr. Raida Al Alawi - Treasurer
 - Dr. Haitham Al Qahtani - Director of Conferences & Forums
 - Eng. Raja Yousif Al Zayani - Director of Training
 - Eng. Ayman Mohamed Nasser - Director of Membership and Professional Affairs.

- Eng. Reem Ahmed Al Otaibi - Director of Media & Public Relations
 - Eng. Reem Ebrahim Khalfan/Director of General Activities and Community Service
- c. The Board of Directors held 14 meetings virtually last year, during which various decisions were taken to improve the approved workplan and the Society's projects.

d. Arab Engineers Union:

The Society continued its participations in different committees of the Federation of Arab Engineers which organized all its activities and meetings virtually. The Society is a member of a number of the Union's committees.

e. Gulf Engineering Union:

The Union is currently chaired by Eng. Khamis Al Sooli representing Oman Society of Engineers as secretary general. Eng. Mohamed Al Khozae is the deputy secretary general representing the Bahrain Society of Engineers.

Arrangements are made to hold a meeting for the presidents of the societies following Eid Al-Fitr to agree on the Union's programs. It is worth noting that the BSE will act as secretary general during the next term.

f. World Federation for Engineering Organizations (WFEO):

The BSE Board of Directors has nominated Eng. Abdul Majeed Al Qassab for the position of Deputy Chief Executive Officer in the elections that will take place in October 2021. There is a possibility that the election will be postponed.

The WFEO organized a virtual event on 4th March 2021 to celebrate the World Engineering Day for Sustainable Development, which is held annually and the Society took part in the event.

g. Board of Trustees for BSE Training Center

Pursuant to the Board resolutions passed in October 2020, the Board of Trustees for the BSE Training Center was formed as follows:

- Eng. Jameel Khadim Al Alawi (Chairman)
- Eng. Raja Yousif Al Zayani (Vice Chairman)
- Dr. Dheya A. Aziz Tawfiqi
- Eng. Yasser Al Abbasi
- Eng. Sameeh Al Alawi
- Eng. Khadhim Ali A. Latif (Representative of Ministry of Works, Municipalities Affairs and Urban Planning)
- Eng. Khalid Jassim Suwaid (Representative of Electricity and Water Authority)

h. BSE Participations in Committees:

The Society continued its participations in professional committees as follows:

- The Council for Regulating the Practice of Engineering Professions:
 - Eng. A. Nabi Al Sabah
 - Eng. Isa Janahi



- **Supreme Council for Women:**

Eng. Huda Sultan

- **Building Façades Study Committee:**

Eng. Mariam Al Yahya

- **Evaluation of Properties Used for Public Benefit:**

Eng. Fouad Al Shaikh

- **Grievance Committee:**

Eng. Amer Bin Rajab

• **Internal Committees:**

The internal committees are formed as follows:

- **Conferences & Exhibitions Committee:**

Eng. Mohamed Khalil ALSayed (Chairman)

Eng. Abdul Majeed Al Qassab

Dr. HaithamAL Qahtani

Dr. Ebrahim Matter

Eng. Saleh Taradah

Eng. Seema Al Langawi

Eng. Eman Al Ansari

Eng. Raja Yousif Al Zayani

Dr. Dheya A.Aziz Tawfiqi

- **The Supreme Committee for Golden Jubilee Regulating**

Dr. Dheya A.Aziz Tawfiqi

Eng. A. Majeed Al Qassab

Eng. Mohamed Ali Al Khozaae

Eng. Effat Redha

Eng. Sharaban Sharif

Eng. Reem Khalfan

Eng. Reem Al Otaibi

Dr. Essa Qamaber

- **Recently New Graduates Employment & Training Program “Tamheed”:**

Eng. Masoud Ebrahim AL Hermi (Chairman)

Eng. Mohamed Ali Al Khozaae (Vice Chairman)

Dr. Dheya A. Aziz Tawfiqi

Eng. A. Allah Al Qassimi

Eng. Essa Ali Janahi

Dr. Raida Al Alawi

Eng. Khalid Al Mohanadi

Eng. Ghadah Marzooq

Dr. Salwa Basera

Dr. Hameed Abdulla

- **Media & Public Relations Committee:**

Eng. Reem Al Otaibi (Chairman)

Eng. Fawaz Al Qassimi

Dr. Essa Qamber

Eng. Ghadah Marzooq

Eng. Heba Al Tarifi

Eng. Hamzah Manna'

Dr. Fai Al Khalifa

Eng. Suzan Ajawi

- **General Activities & Community Service Committee:**

Eng. Reem Khalfan (Chairperson)

Eng. Hamad Ebrahim Bado

Eng. Habib Hasan Jabori

Eng. Jaffar Mohamed Ali

Eng. Shaikha Sultan Al Eklasi

Eng. Mahdi Ebrahim Hameed

Eng. Wojood Fouad Janahi

Eng. Sara Ahmed Majed

Eng. Zahra A. Allah Sanad

Eng. Marwa Abdulla Jassim

Eng. Ali Jameel Mansour

Eng. Mahdi Taher Al Jalawi

Eng. Hawraa Faisal Al Mushamea

Eng. Mahmood Mohamed Yacoub

Eng. Ali Jabbar Al Qattan



Eng. Noor Majedulddin Khalil
Eng. Shaikha A. Latif Al Medawi
Eng. Ali Abdulla Al Jawooni
Eng. Mohamed A. Ameer
Eng. Farha Al Dossari
Eng. Omar Sameer
Eng. Sara Al Barni

- **BSE Award Committee:**

Eng. Emad Al Moayyed (Chairman)
Dr. Osama Al Bahrana
Dr. A. Emmam Al Sammak
Eng. Yousif Ameen
Eng. Effat Redha
Dr. Dheya A. Aziz Tawfiqi
Eng. A. Nabi Al Sabbah
Eng. Mohamed Al Khozaae
Dr. Hameed Abdulla

- **Distinguished Eng. Award Jury Committee:**

Eng. Jameel Khadim Al Alawi (Chairman)
Eng. Jassim Al Shirawi
Eng. Khalil Al Obaidat
Eng. A. Allah Al Qassimi
Eng. A. Majeed Al Qassab
Eng. Mahmoud Yacoub

- **Engineering Colleges Graduation Senior Projects Award Jury Committee:**

Dr. Suhail Al Massri (Chairman)
Dr. Wafa Al Mansouri
Eng. Rasool Musaib
Eng. Essa Janahi
Eng. Yasser Al Abbasi
Dr. Ebrahim Mattar
Eng. Jaffar Mohamed Ali

- **Environment Committee (HPMP)**

Eng. A. Nabi Al Sabbah

Dr. Hameed Abdulla

- **Income Resources Development Committee:**

Dr. Dheya Tawfiqi

Eng. A.Ellah AlQassimi

Eng. Hameed Ali

Eng. Jawad Hasan

Eng. Mohamed A. Khaliq

Eng. Majed Sharaf

Dr. Raida Al Alawi

Dr. Hameed Abdulla

- **Information Technology Project Committee:**

Dr. Raida Al Alawi

Eng. A. Nabi Al Sabbah

Dr. Hameed Abdulla

- ◆ **Gulf, Arab and International Organizations:**

- **Gulf Engineering Union:**

Eng. Mohamed Al Khozaae / Gulf Engineering Union

- **Federation of Arab Engineers:**

Eng. Jawad Jaffar Al Jabal/Permanent Council Member

Eng. Jameel Al Alawi/Member of Accreditation and Classification Committee

Dr. Raida Al Alawi/Head of IT Committee

Dr. Osama Al Baharna /Member of Education Committee

- **World Federation for Engineering Organizations (WFEO)**

Eng. A. Majeed Al Qassab continued in his position as representative of WFEO in the position of National Member. He was elected for this position three years ago and is nominated now for the position of vice chairman.



THIRD: BSE & CORONA PANDEMIC

The impact of Covid-19 continued to affect the Bahrain Society of Engineers, especially after the developments in the health situation in the Kingdom of Bahrain and the fighting efforts against the pandemic. These developments have seriously affected many organizations including BSE, the activities of which were negatively impacted. The Society took precautionary measures to protect its employees and visitors. This represented a substantial challenge for the Society and had to reduce the working hours sometimes and adopting distance working. The Society also continued to regularly sanitized its building and offices to protect its employees and visitors.

The BSE also undertaken awareness campaigns among its members such as (I am Engineer, I am Aware) which was launched through the social medias of the Society. Many members of the Society took part in this campaign through sending awareness messages to members and followers of the BSE's social media to throw lights on Covid-19 and ways of fighting it while highlighting the efforts exerted by the Kingdom of Bahrain in fighting the pandemic.

FOURTH: CONFERENCES & FORUMS

The years 2020-2021 witnessed sharp decline in the number of events organized by the Society due to the challenges and restrictions imposed as a result of Covid-19. However, due to the swift response by the Board of Directors and their desire to continue active, while most of countries had to lock-down, the Society organized a number of virtual seminars and conferences. For this purpose, the Society used high level virtual platforms to ensure maximum benefits to the participants. Such events received overwhelming response regionally and internationally.

Advantages of Virtual Platform:

- Virtual Presentation: Speakers from various parts of the world communicate and connect virtually through live and registered presentations.
- Virtual Exhibition: The participants managed to interact with the exhibiting companies through chat, brochures, video films and other marketing materials.
- V Net-to-V Net Gateway: Allows the participants to communicate with their colleagues who are present in the event through exchanging their business cards, arrange meetings, etc.

These events received good response by the audience, where 90% of the participants felt satisfied or fully satisfied of the outcomes of the events, while 88% of the participants voted that they managed to surf easily through the details of the events.

The Society organized the following events virtually during 2020-2021:

No.	Event	Date
1	The 6th Virtual ICT Forum	14 December 2020
2	The 2nd International Event on Sustainable Energy	23-24 March 2021

1. The 6th Virtual ICT Forum:

In collaboration with the Federation of Arab Engineers and its ICT Committee, the Society organized the 6th Virtual Arab ICT Forum 2020, version 6, on 14th December 2020. The event was organized under the patronage of HE Eng. Mariam Ahmed Jumaan, Chairman of Telecommunication Regulatory Authority (TRA) in the Kingdom of Bahrain.

Event Theme: “Information & Communication Technology: The Way to Creativity & Sustainability”.

The event covered major topics relating to the fifth generation networks, Fintech, IoT, artificial intelligence and machine learning, AR, VR, mixed reality, huge information analysis, blockchain etc.

Facts & Figures:

- 674 participants from 29 countries.
- 6 exhibitors and 3 platinum sponsors: TRA, STC and Huawei Technologies.
- 14 main papers and technical presentation in 10 countries.
- Virtual meetings, exhibition and networking connection.

2. The 2nd International Event on Sustainable Energy:

Under the patronage of HE Dr. A. Hussain Mirza Ali, Chairman of the Sustainable Energy Authority, Kingdom of Bahrain, the 2nd version of the 2nd International Event on Sustainable Energy was organized as a virtual conference and exhibition in collaboration with Sustainable Energy Authority during the period 23–24 March 2021. The theme of the event was “Sustainability for Brighter Future”.

Main Topics:

- Acceleration of renewable energy from “alternative energy to main power”.
- Leading power efficiency from “marginal to main power”.
- Financing sustainability “from the board to bank”.

Facts & Figures:

- 970 participants registered from 40 countries.
- 60 companies took part in the virtual exhibition.
- 30 speakers from 12 countries.



BSE Events Through Webinars

SL.	Topic	Presented by	Capacity
1	6G: Cyber connection of what is connected and connected what is not connected	Prof. Mohamed Salim Alwaini	Prominent professor in electrical Engineering- King Abdullah Science & Technology College, Kingdom of Saudi Arabia
3	Gb/s WDM Visible Light Communication	Prof. Bon S. Owi	Prominent professor in electrical Engineering and computer, King Abdullah Science & Technology College, Kingdom of Saudi Arabia
4	Practicing Engineering Professions Profession	Eng. Hasan Al Shaikh	Managing Director of Council for Regulating the Practice of Engineering Professions
5	BAPCO Modernization Program: Future is coming	Eng. Hafedh Al Qassab	Project Manager: BAPCO Modernization Program- Kingdom of Bahrain

The events organized through Webinars received an overwhelming response and many members and other Engineers attended the sessions. The participating experts shared their views on a number of topics, including questions and answers by the audience. Hundreds of participants attended the Webinars' meetings.

The Conferences and Exhibitions Planned for 2021:

There will be no events planned in 2021 with personal attendance due to Covid-19.

The Bahrain Society of Engineers urges all its members to participate in its conferences and committees and expand their contribution to ensure success for the events. We are confident that their backing and support will certainly lead to further success of such events.

The Board of Directors of the Bahrain Society of Engineers takes this opportunity to express its thanks and gratitude to all the organizations which have generously supported the Society and its activities, including but not limited to Saudi Aramco, GPIC, BANAGAS and all the Government authorities. The Society would like also to thank the national and international institutions particularly Sustainable Energy Authority, National Society for Maintenance & Reliability and National Association for Corrosion Engineers (NACE) for their support in participating in organizing various conferences and exhibitions in collaboration with the Bahrain Society of Engineers.

Finally, we would like to thank the members of Conferences & Exhibitions Committee and the volunteers for their efforts and commitment to work with us as one team to attain the objects of our Society.

Dr. Haitham Al Qahtani

Director of Conferences & Forum

FIFTH: THE TRAINING CENTER:

◆ Training Courses:

The Training Center was severely and negatively affected by Covid-19. The year 2020 witnessed sharp decline in the number of training courses, workshops and seminars due to the restrictions that have been imposed by the pandemic and in compliance with the instructions of the Ministry of Labour and Social Development to stop all the training courses. However, due to the swift response by the Board of Directors and their desire to continue going active, the Training Center continued organizing the employment and training of new graduate Engineers (Tamheed) through MS Teams platform. The Center also organized a number of specialized Engineering and technical courses (the list of virtual seminars is attached). The themes of the seminars were selected as per the requests received from the members of the Society, recommendations of previous trainees, demands of employers and labour market surveys.

◆ Training Center's Board of Trustees:

In October 2020, the Board of Directors approved the formation of the Board of Trustees subject to the governance regulation and the training center working system.

The Board of Trustees held many meetings to lay down the general policy for the Training Center and prepare a workplan and strategy for the next three years.

Members of Board of Trustees:

- Eng. Jameel Khadhim Al Alawi (Chairman)
- Eng. Raja Al Zayani (Vice Chairman)
- Dr. Dheya Tawfiqi
- Eng. Yasser Al Abbasi
- Mr. Sameeh Al Alawi
- Eng. Khadhim Ali A. Latif (Representative of Ministry of Works, Municipalities Affairs and Urban Planning)
- Eng. Khalid Jassim Suwaid (Representative of Electricity and Water Authority)



Following is a list of virtual seminars conducted by the Training Center during 2020:

SL.	Date of Seminar	Topic	Presented by
1	15 Jan 2020	Sustainable Construction Using Latest Technology for Voided Biaxial Flat Slabs (VBS) with Concrete Shapers – History, Development, Design, Technology & Execution	Dr. Karsten Pfeffer
2	29 April 2020	Stay Home, Catch up with Digital Construction	Mr. Atiba Romany Mr. Frank Cui Mr. Xavier Wang Mr. Eric Lee
3	12 May 2020	Stay Home, Catch up with 6G Communications	Prof. Mohamed-Slim Alouini
4	19 May 2020	Key Contract Success Points	Mr. Richard Nero
5	1 June 2020	Get Project Management Professional (PMP) Certification Training	Mr. Sherif Bakr
6	9 June 2020	The Impact of COVID19- Construction Projects Managed by FIDIC Contracts	Dr. Baha Al Shal

◆ Execution of the National Strategy for Gradual Disposal of Hydrochlorofluorocarbons Materials (HPMP):

This project commenced in 2016 in co-operation with the Supreme Council of Environment, UNEP & UNIDO. The Society completed the 1st and 2nd stages of the project in April 2019.

In the first stage, a training course was conducted for the trainers and other courses for customs officers. In the second stage, training covered 200 trainees and Engineers working in the field of air-conditioning, and the course was completed in April 2019.

In 2020, the Society signed a new agreement with UNEP to prepare a field survey study for both cooling and air-conditioning sectors and also fire-fighting.

In co-operation with the Supreme Council of Environment and Tamkeen, arrangements were made to conduct some professional training courses for Bahraini Engineers and technicians working in cooling and air-conditioning sector to qualify them to obtain license to practice the profession in this vital sector in line with the law promulgated for such purpose which requires those who work in the field of cooling and air-conditioning to obtain license from the Supreme Council of Environment.

Eng. Raja Yousif Al Zayani

Director of Training

SIXTH: THE GENERAL ACTIVITIES AND COMMUNITY SERVICE

◆ The General Activities Committee, since its inception in July 2020, started to form the General Activities and Community Service Committee, having the following objects:

- Arrange visits for members to familiarize themselves with the latest Engineering projects, completed or in progress, inside and outside Bahrain.
- Organize social activities for the BSE members.
- Prepare for external trips and visits.
- Supervise the preparation of the halls for the events organized by the Society.
- Arrange community visits to hospitals and geriatric hospitals.

◆ The Committee has managed to execute the following social activities:

- Bahraini Engineers' Day on 15th October 2020.
- The BSE organized the Bahraini Engineer's Day through visible communication. Dr. Dheya Tawfiqi, BSE President, announced in his speech the release of the second version of the BSE Award was announced
- As has been the practice every year, the guest of honour for this celebration was Eng. Effat Redha Husain in recognition of her active role in supporting the BSE's activities and initiatives throughout the past years.
- In conjunction with its Bahraini Engineer's Day celebrations, the Society organized a virtual forum "Changes of Engineering Work Environment with the Emergence of Corona Pandemic" that was organized on Wednesday 14 October 2020 through Zoom application. The forum discussed three issues. The first topic covered by Dr. Jameel Abdulla Al Alawi "Legal Changes and Contracts", while Eng. Noor Al Mutawa spoke about the second topic "Major Aspects of Designing Engineering Projects". The third topic "Changes in Projects Management" was presented by Eng. Majed Al Hawari.
- It is worth noting that the BSE approved the Bahraini Engineer's Day celebration during the meeting of the Annul General Assembly of 2014. It was agreed to allocate a day for Bahraini Engineers in recognition by the Society and the Bahraini Society of the role and efforts exerted by the Engineers within the Engineering sector, which represents a major part of the national economy.

◆ Technical Visits:

- Visit to the new Bahrain International Airport on 10 December 2020 .
- Visit to Tubli Plant Expansion on 6 January 2021.

◆ Seminars:

The General Activities & Community Service Committee managed to arrange for the following seminars:



- Virtual discussion forum on “Real Estate Sector Challenges” on 22 November 2020. Thereafter, the duty of organizing seminars and forums was passed to a separate committee.

Eng. Reem Ebrahim Khalfan

Director of General Activities & Community Service Committee

SEVENTH: MEMBERSHIP & PROFESSION AFFAIRS:

Membership Applications:

◆ During the period from January to 31 December 2020 the Society received 245 membership applications, and after reviewing them by the Members and Profession Affairs Committee and introducing them to the Board of Directors, the Board approved 207 applications from various categories, while 20 applications remained under review, and 2 applications were disapproved for they did not meet the required standards adopted by the Society. Furthermore, membership upgrade requests for 16 members were approved.

The Members & Profession Affairs comprises the following committees:

◆ **Grants Committee:**

This committee comprises Eng. Ayman Mohamed Nasser, Director of Members & Profession Affairs, Dr. A. Immam Al Sammak, Eng. Amer Ali Bin Rajab, Eng. Sayed Jameel Al Alawi and Eng. Ahmed Al Khan.

◆ **Members & Profession Affairs Committee:**

The committee includes Eng. Ayman Mohamed Nasser, Director of Members & Profession Affairs, Eng. Jawad Ahmed Al Jabal, Secretary, Dr. Osama Taqi Al Baharna, Eng. Essa Ali Janahi, Eng. Ahmed A. Rahman Al Khan.

New Accepted Applications per Category During 2020			New Accepted Applications per Specializations During 2020		
Membership Category	Number	percentage	Specialization	Number	percentage
Fellow	-	0%	Civil Engineering	54	26%
Member	34	16%	Mechanical Engineering	27	13%
Graduate	102	49%	Electrical Engineering	29	15%
Affiliate	26	12%	Chemical Engineering	14	7%
Student	45	23%	Architecture	40	19%
Total	207	100%	Other specializations	43	20%
			Total	207	100%

◆ **Grants Scheme:**

The BSE continued receiving and collecting information and documents related to academic grants. The concerned committee studied all the applications subject to the standards in place. The BSE is in the process of disbursing the grants to those who are eligible

◆ **Hisham Al Shehabi Scholarships:**

The BSE continued disbursing financial grants to the Engineering students at the University of Bahrain. During 2020, the BSE received 16 new applications, while the number of students who are studying at present is 44 with 9 graduated, 2 withdrawn during the year. The total number of students under this scheme has reached to 71 students.

◆ **Suspension of Membership Categories:**

The Board of Directors has resolved during its meeting on 31 October 2020 to suspend the memberships of 1105 Society's members due to their failure to pay their membership fees. This suspension is on temporary basis until they settle their accumulated fees. Indeed, such failure has caused substantial losses to the Society and has impact on the number of active members.

◆ **Approving All-Life Membership:**

During the Board meeting held on 31 October 2020 the mechanism for approving all-life membership shall be left to the discretion of the Board of Directors but the continuity of such category needs to be approved by the General Assembly.

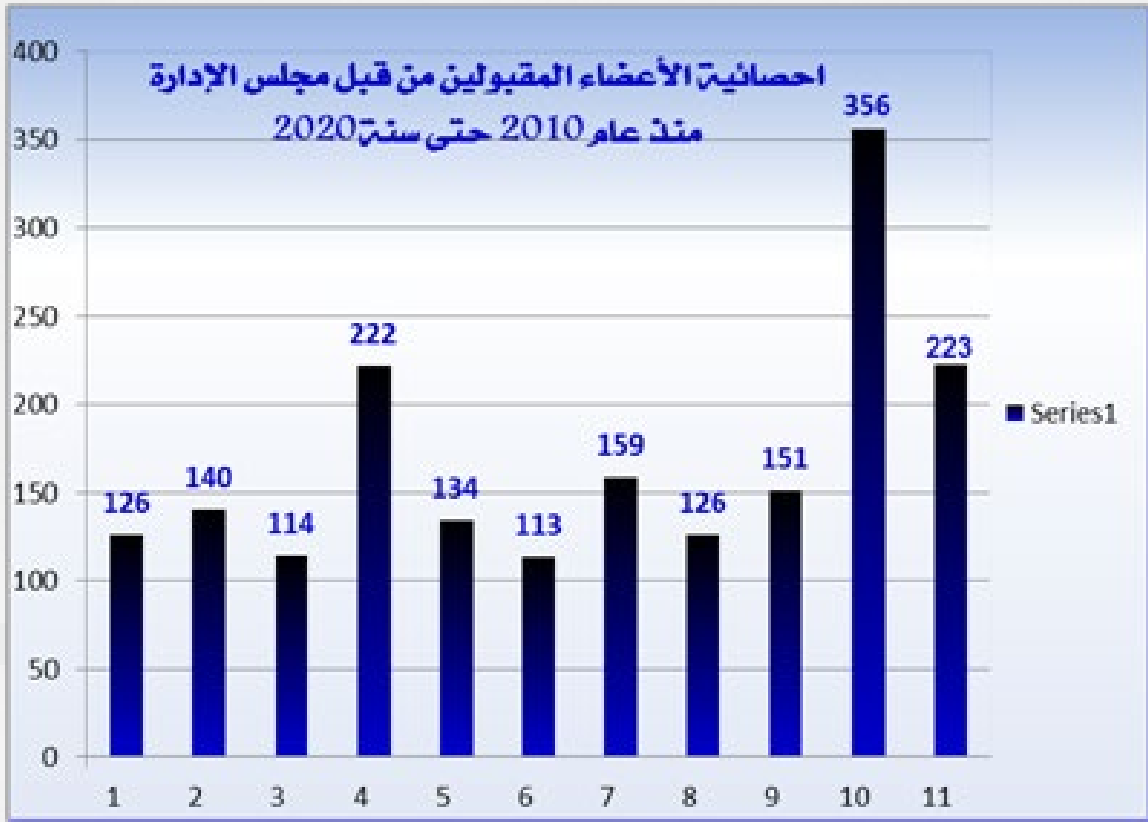
◆ **Activities & Events:**

Engineering Professions Exhibition: In its drive to raise awareness and encourage students to study Engineering, the BSE coordinated with the Ministry of Education to organize the Engineering Professions Exhibition under the patronage of HE Dr. Majed bin Ali Al Naomi, Minister of Education in April 2020. However, it was not possible to organize this exhibition since the BSE building was under maintenance and no other suitable location was found to for organizing the exhibition and also due to the restrictions imposed by Covid-19.

**Statistics of the Number of Membership Applications Accepted
by the Board of Directors during Eleven Years:**

Years	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
No of Accepted Members	223	356	151	126	159	113	134	222	114	140	126

2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
16+207	46+310	7+144	20+106	19+140	25+88	9+125	14+208	9+105	19+121	10+116
223	356	151	126	159	113	134	222	114	140	126



Statistics of the Number of Membership Applications Accepted by the Board of Directors during Eleven Years

Membership Statistics Until 31 December 2020

Table No. (1) Number of Members Per Membership Category

Membership Category	No. of Members	Percentage
Fellow	16	%1
Member	658	%62
Graduate	264	%25
Affiliate	40	%3
Student	83	%9
Total	1061	%100

Table No. (2) Number of Members Per Specialization

Category	Civil Engineering	Mechanical Engineering	Electrical Engineering	Chemical Engineering	Architecture	Other specializations	Total
Fellow	5	5	3	-	-	3	16
Member	239	103	96	45	86	89	658
Graduate	104	27	18	26	62	27	264
Affiliate	8	7	3	-	1	21	40
Student	22	19	7	9	16	10	83
Total	378	161	127	80	165	150	1061
%	35%	18%	11%	7%	15%	14%	100%

Table No. (3) Number & Percentage of Members Per Nationality

Category	Bahraini		Non-Bahraini		Total
	Number	%	Number	%	
Fellow	15	1%	1	-	16
Member	546	58%	112	90%	658
Graduate	263	28%	1	-	264
Affiliate	29	3%	11	9%	40
Student	81	10%	2	1%	83
Total	934	88%	127	11%	1061

Table No. (4) Number & Percentage of Members Per Gender

Category	Male		Female		Total
	Number	%	Number	%	
Fellow	16	2%	-	-	16
Member	542	70%	116	40%	658
Graduate	147	19%	117	40%	264
Affiliate	12	1%	28	10%	40
Student	54	7%	29	10%	83
Total	771	73%	290	27%	1061

Life members: +737 other active members: 324 = Total = 1061

Eng. Ayman Nasser

Director of Members & Profession Affairs



EIGHTH: MEDIA & PUBLIC RELATIONS AFFAIRS

The Media & Public Relations Affairs Committee aims to foster the position of the BSE's in the Bahraini community, being the most prestigious professional society in the Kingdom of Bahrain. A strategic plan is in place to attain the required target through enhancing the BSE's relations with all Arab and foreign media, electronic, printed and audio-visual medias for publishing news and ensure that they are published in a proper manner and cover all the Society's activities and events.

The committee has also works towards highlighting the activities of the Society through organizing interviews and provide opportunities to the members to talk about the issues related to the Society.

Major Achievements of the Committee During the Period May 2020 to April 2021:

◆ **Press Releases:**

In spite of the fact that most of the BSE activities have been affected by the Covid-19, the BSE issued about 35 various press releases, covered a different event which were published in local, Arabic and international newspapers. All these news were published in all the local newspapers in the Kingdom of Bahrain. This reflects high-level interest by the BSE.

◆ **Media Coverage of BSE's Conferences & Initiatives:**

The Bahrain Society of Engineers, like all other institutions in the Kingdom of Bahrain, was affected by Covid-19. The volume and numbers of conferences have been reduced during this period. However, a number of conferences were organized through visible communication means such as "The Arab ICT Forum 2020" in addition to a number of seminars that were organized using Webinar. The BSE Award was also promoted through the media. The role of the Media and Public Relations Committee in the forgoing conferences and exhibitions was to prepare press releases and distribute them to the newspapers before and during the said events. They also undertook the assignment of inviting the local, Arab and foreign media and other news agencies and media to attend the conferences and exhibitions organized by the Society, and also following up the coverages of such newspapers and circulate them to the Board members and the social media.

Furthermore, the Media and Public Relations Committee also undertakes the following tasks:

- Achieving media coverages and carrying out any other assignments relating to issuing BSE brochures.
- Intensifying communications with the foreign media in order to expand the public relations circle due to the significance of such media for the Society.
- Maintaining a photography archive on the BSE programs for future reference.
- Forming a special media committee for some conferences that requires such action, the role of which may vary depending on the type and size of the conference so that the event is adequately covered.

◆ **Al Mohandis Magazine:**

The Media and Public Relations Committee published issue No. 69 of Al Mohandis Magazine in 2020 and Issue No. 70 during 2021.

◆ **Al Mohandis Times:**

The Committee released one electronic copy of Al Mohandis Times during 2020 covering 5 months news, July until November 2020 and another copy that covered the news of December 2020 and January, February and March 2021.

◆ **Social Communication:**

In order to keep pace with the latest technological advancements which are involved in all the transactions made in advanced countries, the BSE utilized all the social communication channels such as Instagram, Twitter, Facebook, WhatsApp and You tube to feed them with all the BSE news and events by the BSE committees.

Eng. Reem Ahmed Al Otaibi

Director of Media and Public Relations

NINETH: SPECIALIZED DIVISIONS & SECTIONS:

In line with its constitution, the Board of Directors started activating the specialized Engineering divisions. Each division is managed by a committee comprising chairman, vice chairman, reporter and two committee members, all of which are elected through secret ballot. There are three specialized divisions as follows:

◆ **Civil & Environment Engineering Division:**

- Eng. Hasan Amer Al Tamimi (Chairman)
- Eng. Noor Mohamed Mukhaimer (Vice Chairman & Reporter)
- Eng. Hani Al Khayat (member)
- Eng. Mahmoud Al Mannier (Member)

◆ **Electronic, Electrical and Computer Engineering Division:**

- Eng. Mohamed Al Asfoor (Chairman)
- Eng. Hessa Al Junaid (Vice Chairman)
- Eng. Ahmed Al Wahoosh (Reporter)
- Eng. Ali Al Qattarn (Member)



- Eng. Habib Al Jaboori (Member)
- Eng. Yousif Al Mumen (Member)

◆ Architecture & Urban Planning Division:

- Eng. Mahdi Al Jalawi (Chairman)
- Eng. Ebrahim Al Ameer (Vice Chairman)
- Eng. Ameena Al Obaidly (Reporter)
- Eng. Hawra Faisal (Member)
- Eng. Ammar Al Adraj (Member)

Eng. Jawad Jaffar Al Jabal

Secretary and Foreign Relations

TENTH: PROGRAMS AND PROJECTS:

Following are the major projects that are commenced during the period from July 2020 until July 2021:

◆ **Golden Jubilee**

Under the patronage of His Majesty King Hamad bin Isa Al Khalifa, King of the Kingdom of Bahrain the Bahrain Society of Engineers will celebrate next year its Golden Jubilee to commemorate 50 years since its inception.

The Board of Directors started preparing for this prestigious event since last December where a high organizing committee has been formed for this purpose:

- Dr. Dheya A.Aziz Tawfiqi (Chairman)
- Eng. Mohamed Ali Al Khozaae
- Eng. A. Majeed Al Qassab
- Eng. Reem Al Otaibi
- Eng. Reem Khalfan
- Dr. Essa Qamaber
- Eng. Effat Redha

- Eng. Sharaban Sharif
- Dr. Hameed Abdulla

Sub-committees have also been formed:

- a. Main Celebration Committee
- b. Documentation Committee
- c. Media Committee

The committee started to lay down plans for this celebration and submitted its recommendations to the Board of Directors which have been approved as follows:

1. The Main Celebration:

It is the main and formal celebration of the Golden Jubilee but no details have been agreed upon so far.

2. Accompanying Exhibition:

It is the exhibition that will accompany the main celebration on the history of the Society in general, which will continue even after the main celebration.

3. Documentary Brochure:

A brochure covering the history of the BSE over 50 years.

4. Documentary Video or Film:

To be presented during the main celebration on the Society's achievements over 50 years.

5. General Conference:

A general conference to be organized to present papers and recommendations for promoting the role of Eng. and the Engineering profession during the next stage. This conference is expected to be held for 3 days in the BSE headquarters.

6. Honoring Personalities & Establishments:

Honoring personalities and establishments that are played unique roles in serving the Society.

7. Designing a special logo for the event.

8. The Monument:

Erecting a monument symbolizing the role of the Eng. as recognition of his achievements in co-ordination with the Ministry of Works and other authorities.

9. Inviting Personalities from Overseas:

Inviting a number of personalities from outside the Kingdom such as presidents of Gulf Engineering societies and Federation of Arab Engineers and others.



10. Budget:

The foregoing programs strongly depends on the availability of financial support and sponsorships of companies and also the health situation. At the time of drafting this report, the Society started writing to some companies seeking financial supports to enable it to organize the foregoing celebration since the Board believes that the budget is the main factor and sponsorship is necessary while the Society could partly contribute due to the financial difficulties it has been facing due to the spread of Covid-19.

Such celebrations will greatly depend on the possibility of organizing the proposed events and whether they could be held physically or through virtually.

◆ Recently New Graduates Employment & Training Program “Tamheed”

At the beginning of 2019, the committee supervising the “New Graduates Employment & Training Program “Tamheed” placed the final touches on the workplan for the program, to regulate relations among the bodies involved in the project i.e. the trainee Engineer, employer, Tamkeen and Ministry of Labour & Social Development. It also developed a training plan, approved in March 2019, to enhance the skills of the trainee Engineers. The work in the project progressed to the second stage which is obtaining permit for Tamheed Training Program from the concerned authorities. The program was approved in April 2019 and was uploaded in Tamkeen website among basic certificates. The third stage was commenced to start selecting the Engineers after determining the required conditions for enrolling in the program by the supervising committee, which comprises the following:

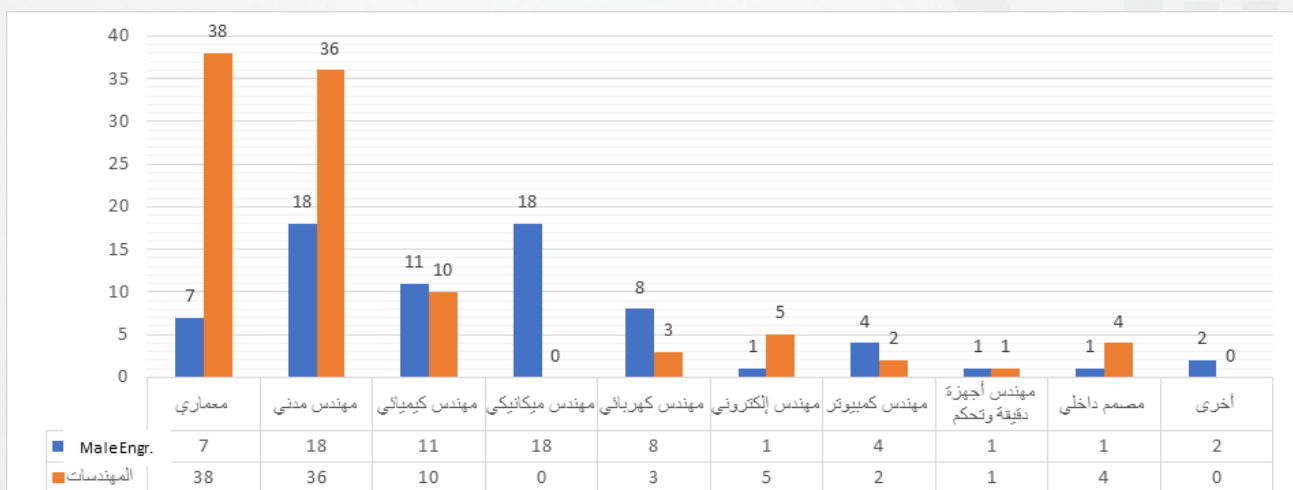
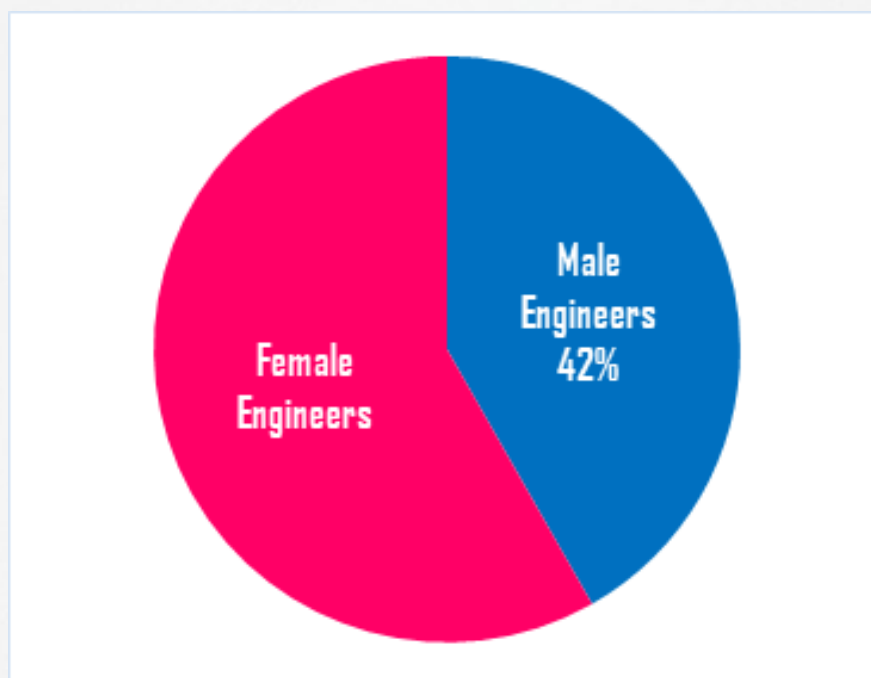
- Eng. Masoud Al Hermi (Chairman)
- Dr. Dheya A.Aziz Tawfiqi
- Eng. Mohamed Al Khozaae
- Dr. Dheya A.Aziz Tawfiqi
- Eng. A.Ellah Al Qassimi
- Eng. Khalid Al Mohanadi
- Dr. Raida Al Alawi
- Eng. Essa Ali Janahi
- Dr. Salwa Basera, representing the University of Bahrain

Following are the requirements that the graduate Eng. needs to fulfill to be eligible to enroll in the program:

1. Must be Bahraini national.
2. Must have a valid membership with the Bahrain Society of Engineers.
3. Must hold a bachelor degree or equivalent in Engineering or architecture from a recognized university.

4. Must pass the personal interview and the tests, if any.
5. Must accept the contract terms and conditions with the bodies concerned with the project.

A large number of interviews took place to determine the first group which will enroll in the Tamheed Program, where 15 newly graduated Engineers were chosen to start in the program on 23 June 2019. Many groups followed later, reaching to the 9th group with a total of 170 trainee Engineers of which 109 completed the program, 40 trainees are still receiving training and 21 still did not start. Registration is ongoing for the next groups. The following table show the number of trainees enrolled in the program as per the years of graduation.

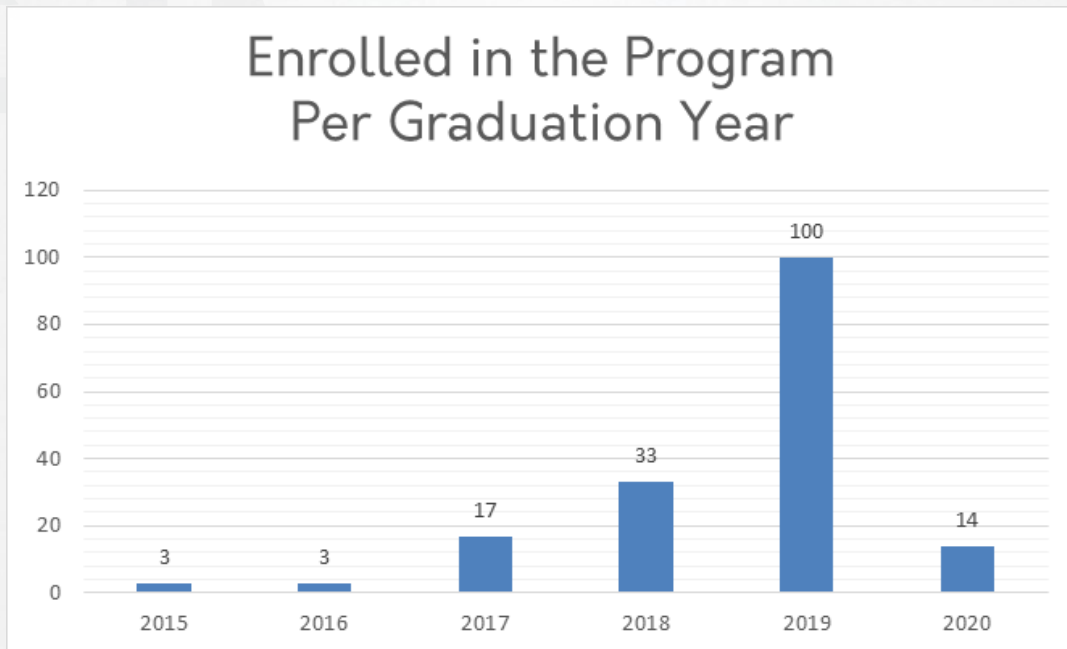




Engineers Enrolled in the Program Per Gender

Specialization	Number	Male Engineers	Female Engineers
Architecture	45	7	38
Civil Engineering	54	18	36
Chemical Engineering	21	11	10
Mechanical Engineering	18	18	0
Electrical Engineering	11	8	3
Electronic Engineering	6	1	5
Computer Engineering	6	4	2
Instrumentation and Control Engineering	2	1	1
Internal Designer	5	1	4
Others	2	2	0
	170	71	99

Enrolled in the Program Per Graduation Year



The training contains have been designed to serve the objects of the program, to ensure that the training program will provide the new trainee graduate with the practical skills that the labour market require in line with international standards. The following reflect the targeted 21st century skills:

- Local and international citizenship
- Communication and team work
- Creativity and problem solving
- Entrepreneurship & initiatives
- Language enabling
- Leadership and decision-making
- Critical thinking
- Technology culture

The program seeks relatively to fill the gap of the skills and knowledge required in the labour market on the light of the major development witnessed worldwide, which have contributed in restricting such skills and knowledge. The employability skills, learn how to learn and higher-order thinking skills such as creative thinking and critical thinking are of great significance in enabling the graduates to find and maintain employment and also continuous promotion in their career.

The Committee has commissioned one of the specialized institutions to develop a website for the program for the sake of registration and follow-up the presented applications by Engineers to enrol in the program. The establishments that are desirous to employ Engineers may submit their requests through this website and also monitor the Engineers after employment through the website. The work was completed in June 2019 and the website (tamheed.net) was launched and registration commenced. So far 267 Engineers and 7 companies have registered in the website despite the fact that training has stopped long time ago and replaced with virtual training subject to special requirements by Quality Assurance Authority and Tamkeen.

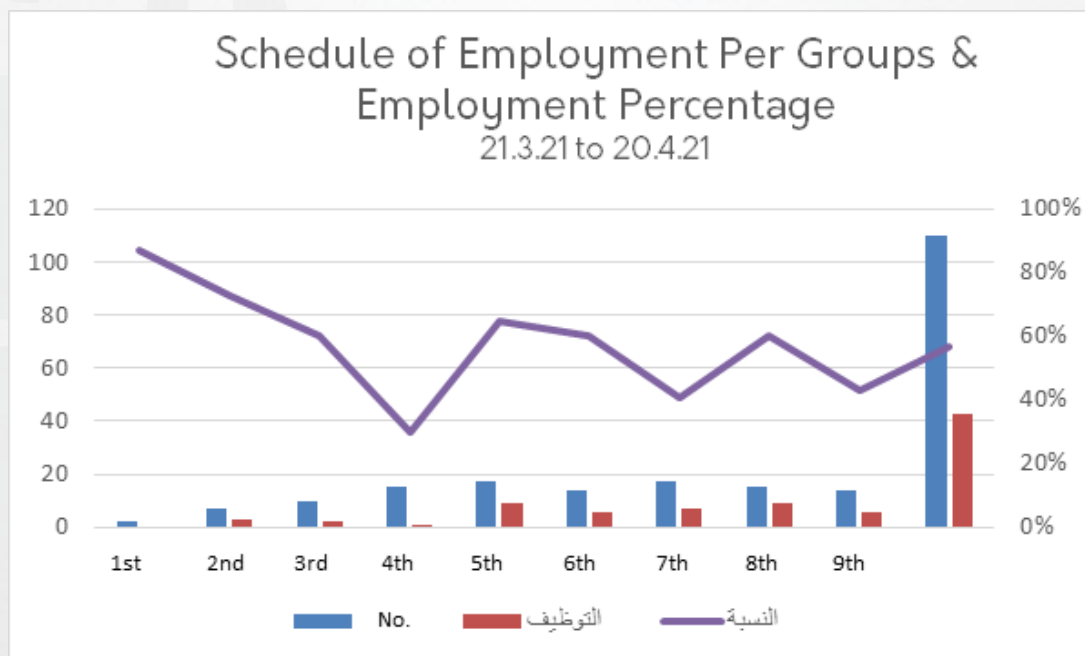
The Committee continued in its second part of its task, which is employment, and nominated Engineers for various jobs in the Engineer field. Approximately 320 nominations were made to 32 establishments of different specializations. The Committee managed to find jobs for 57% of 156 Engineers who have completed Tamheed training program to reach to 89 jobs so far. The following schedule shows the number of Engineers that have been employed:



Schedule of Employment as Per Groups and Employment Percentage

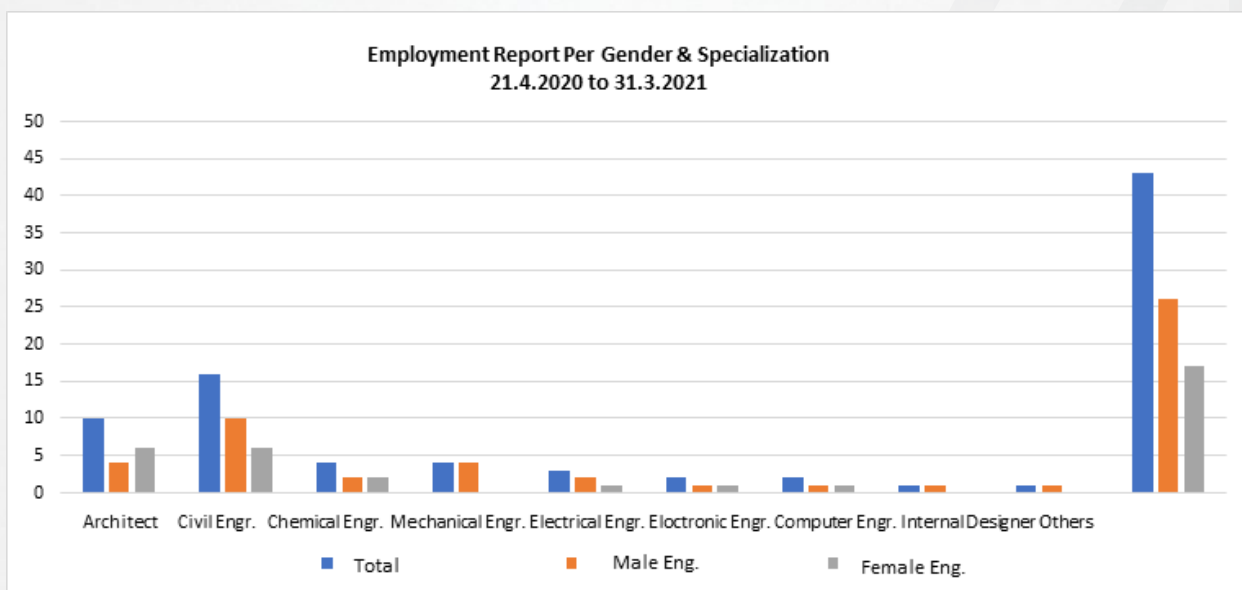
21.3.21 to 20.4.21

Group	Number	Employment	Completion Date	%
First	2	0	Aug-19	87%
Second	7	3	Oct-19	73%
Third	10	2	Nov-19	60%
Fourth	15	1	Dec-19	30%
Fifth	17	9	Feb-20	65%
Sixth	14	6	Feb-20	60%
Seventh	17	7	Aug-21	41%
Eighth	15	9	Sep-21	60%
Nineth	14	6	Oct-21	43%
	110	43		57%



Employment Report Per Gender & Specialization 21.4.2020 to 31.3.2021

Specialization	Total	Male Engineers	Female Engineers
Architecture	10	4	6
Civil Engineering	16	10	6
Chemical Engineering	4	2	2
Mechanical Engineering	4	4	0
Electrical Engineering	3	2	1
Electronic Engineering	2	1	1
Computer Engineering	2	1	1
Internal Designer	1	1	0
Others	1	1	0
	43	26	17



The committee supervising the program resorted to some initiatives to carefully support employing the Engineers who enrolled in the program, through fostering alliances with the bodies that support the program. These included a visit by a delegation from the BSE to H.E. Undersecretary of the Ministry of Labour & Social Development last November in the presence of a number of Ministry's officials. During the meeting it was agreed to co-operate in the recruitment of the Engineers who have enrolled in the program and give them similar support that is given to job seekers who are listed in the comprehensive listing for employment. It was also agreed to sign a memorandum of understanding and form a joint co-ordination committee. The Committee also held a meeting with Council for Regulating the Practice of Engineering Professions to cooperate with them in organizing induction programs to introduce them to the Council,



its regulations and role in regulating the profession and in the field of employment. Furthermore, the Committee is in close communication with officials in some service and projects ministries to encourage the companies that win government tenders and are involved in Engineering projects to cooperate with the BSE in employing the Engineers enrolled in Tamheed program.

The Committee has also coordinated with the Ministry of Works, Municipalities and Urban Planning to employ the graduates from the program in the companies that enter into contracts for executing the projects of the Ministry. These were agreed through a number of meetings with H.E. the Minister and the BSE President and other meetings between the employees of both parties in different levels.

Undoubtedly, Covid-19 has negatively affected most of the activities of the program including training and employment, however, the BSE has never stopped seeking alternatives such as virtual training and signing employment agreements with various authorities.

◆ **Development of the Present Society's Headquarter:**

- **Elevator**

As part of the BSE's project to develop some of its facilities last year, a tender was placed and the elevator was received in March 2021. The Society is now coordinating with the Ministry of Works to execute the related civil works.

- **Outside Cabin**

As part of the works to develop the facilities of the Society, which were completed in July 2020, the contractor installed an outside cabin for staff offices during the execution period. Since this cabin is of high quality and maybe used for renting and could be a source of income, the Board of Directors negotiated with the contractor and bought the cabin.

◆ **Information Technology Project:**

The Society was unable to continue in this ambitious program that aimed at developing all IT related activities and for all other programs as explained earlier in the previous AGM report and in various media channels, but unfortunately, it was not possible to continue with the appointed company due to its failure to satisfy the requirements of the project including the major delay in work and the difficulties encountered by the appointed company to provide technicians to execute the job and some other problems, until we reached to a point that we felt completely unconfident that the concerned company could complete the project. As a result, the Board of Directors decided to terminate the contract and file a case against the company to obtain refund for the amounts that have already been paid to it in addition to all the related financial losses. The Office of Advocate Zeenat Al Mansoori has been assigned to represent the Society and file a case against the said company. Filing of the case has been completed before the Summary Proceedings Court at the time of writing this report.

◆ **Bahrain Society of Engineers Award:**

Following the remarkable success of the BSE Award in its 1st version, the Society recently launched its 2nd version of this specialized Engineering award. This comes out of its keenness to continue its unique activities and initiatives targeting the interest of its members. The committee responsible for this award continued managing this ambitious initiative that encourages members to excel and be creative in various Engineering spheres. The committee held a number of meetings. The committee comprises the following members:

- a. Eng. Emad Al Moayyed (Chairman)
- b. Dr. Dheya Tawfiqi
- c. Eng. Effat Redha
- d. Eng. Mohamed Al Khozaae
- e. Eng. Yousif Ameen
- f. Dr. A. Emmam Al Sammak
- g. Dr. Osama Al Baharneh
- h. Eng. Yousif Ameen
- i. Eng. A. Nabi Al Sabbah
- j. Dr. Hameed Abdulla

The committee determined the proposed prizes for the 2nd version and prepared a draft for each of the approved type of the award and specified a timeframe for the committee's work. The committee also updated the information on the website and announced the award on 5th May 2021.

The committee decided to allocate two award categories for 2020 as follows:

- **Distinguished Award Category:**
 - Young Eng. Award (experience 3-10 years)
 - Experienced Eng. Award (more than 10 years of experience)
 - Best Professional Achievement (more than 20 years of experience)
- **Best Graduation Project Category:**

An award will be allocated for each project in the following Engineering specializations:

- Architecture
- Civil Engineering



- Electrical & Electronic Engineering
- Mechanical Engineering
- Chemical Engineering

An arbitration committee was formed for each category consisting of experienced members. The winners were announced on 5 May 2021 as follows:

- **Young Eng. Award: Eng. Jaffar Mohamed Ali**
- **Experienced Eng. Award: Eng. Thamer Mohamed Salahuddin**
- **Best Senior Graduation Project Category Winners:**

Architecture	: Eng. Ahmed Yousif Muhsin
Civil Engineering	: Eng. Batool Mohamed Ali Al Juffairi
Electrical & Electronic Engineering	: Mohamed Jaffar Ali
Mechanical Engineering	: Eng. Husain Abbas Shamloh, Eng. Hasan A. Wahab, Eng. Husain Aqueel Kadhim & Eng. Osama Mohamed Ali
Chemical Engineering	: Eng.A.Razaq Al Baluchi, Eng. Abdulla Salman Al Saad, Eng. Mohamed Fahad Al Mansouri

It is worth noting that the 3rd version of the award will be announced shortly.

◆ **The Financial Guide:**

The temporary committee for the financial guide comprises the following:

- Dr. Osama Al Baharna
- Eng. Hameed Ali
- Eng. Majed Sharaf
- Eng. Bader Al Mansoori

The committee presented its proposals for the present guide to the Board of Directors which has approved them after some changes were made to ensure the guide will be in line with the constitution and the internal regulation. The guide was put in place effective January 2021. The Board of Directors recommends to effect some changes for the development of the guide after the 4 months of implementation.

◆ **The Program for Qualifying and Developing Members for Working in Committees and in the Board of Directors:**

The BSE continued its program aiming at qualifying and developing members to work in the BSE committees and the Board of Directors through “Taheel” program which was due to be launched in its second version. Therefore, the Society announced the program for its members who are desirous to join,

however, due to Covid-19 only few members turned out and the Society had to postpone the program until further progress.

◆ **Income Resources Development Committee**

Due to the pandemic and cessation of activities that the Society used to depend upon as sources of income such as conferences, training center and hall leasing, the income has substantially declined as shown in the financial report.

Pursuant to the foregoing, the Board of Directors has formed a committee to study the situation and submit proposals for seeking alternatives for income resources for the BSE in accordance with the Societies Act and the Constitution of the Society. Accordingly, a committee was formed to present their views, comprising of the following:

- a. Dr. Dheya Tawfiqi
- b. Eng. A. Ellah AlQassimi
- c. Dr. Raida Al Alawi
- d. Eng. Majed Sharaf
- e. Eng. Hameed Ali
- f. Eng. Mohamed A. Khaliq
- g. Dr. Hameed Abdulla

Until the time of drafting this report, the committee held three meetings, and is continuing until the completions of its views and submit them to the Board. Some of the proposals are as follows:

- Leasing a specific space for one of the banks to install an ATM machine.
- Leasing a space to one of telecommunication companies to install a communication tower on the land located behind the BSE premises.
- Develop a mechanism to restore memberships through facilitating the payment of accumulated fees.
- Study the possibility of building a materials lab.
- Study a program that enable the BSE to present advice and consultations to the industrial projects.

The Board of Directors welcomes any feasible and practical ideas from the members to benefit from and implement them.

◆ **Honouring Members:**

The Society used to organize an annual event to honour the members who have actively contributed and exerted substantial efforts, but it was not possible this year due to the health restrictions imposed by



the pandemic. Alternatively, letters of appreciation were sent out to the members who have served the Society in one way or another.

The Board of Directors would like to take this opportunity to express its thanks and gratitude to all the members who worked in various committees and projects. Their contributions played a great role in enabling the Society to continue its drive.

◆ **Archiving:**

The Society commenced regulating the process of maintaining photos and documents since its inception. This process was assigned to Mr. Jaffar Al Sameikh who voluntarily undertook this assignment, so our deep thanks to him.

Archiving process has been completed and all the BSE documents and photos are now maintained in an orderly and efficient manner.



BAHRAIN SOCIETY OF ENGINEERS
JUFFAIR - BAHRAIN

**REPORTS AND
FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED
DECEMBER 31, 2020**



BAHRAIN SOCIETY OF ENGINEERS

JUFFAIR - BAHRAIN

I N D E X

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BAHRAIN SOCIETY OF ENGINEERS

Juffair - Bahrain

OFFICERS AND PROFESSIONAL ADVISERS

Registration No. 76/J/M dated March 15, 1992

Board of Directors

Dr. Dheya A. Aziz Tawfiqi	- President
Eng. Mohammed Ali Al Khozaac	- Vice President
Eng. Jawad Jaffar Al Jabal	- Executive Secretary & Director of external affairs
Dr. Raida Sayed Kadhem Al Alawi	- Treasurer
Eng. Ayman Mohammed Nasser	- Director of Membership & Professional Affairs
Dr. Haitham Al Qahtani	- Director of Conferences & Forums
Eng. Rajaa Yousif Al Zayani	- Director of Training
Eng. Reem Ahmed Al Otaibi	- Director of Media & Public Relations
Eng. Reem Ebrahim Khalfan	- Director of General Activities & Community Services

Registered Office

Building 230, Al Shabab Avenue
P.O. Box 835
Juffair, Block 341
Kingdom of Bahrain

Bankers

National Bank of Bahrain B.S.C.
Ithmaar Bank B.S.C.

Auditors

Saif Al Bawab, Reg. No. 144
Partner
Talal Abu-Ghazaleh & Co. International
P. O. Box 990,
Manama,
Kingdom of Bahrain



Independent Auditor's Report

The Members

Bahrain Society of Engineers
Juffair - Kingdom of Bahrain

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of Bahrain Society of Engineers (the "Society") which comprise the statement of financial position as of December 31, 2020 and the statement of income and expenditure, statement of changes in members' fund and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and explanatory notes.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects the financial position of Bahrain Society of Engineers as of December 31, 2020, its financial performance, changes in members' fund and its cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

The Society has not adopted or performed an impact assessment with respect to the implementation of IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from contracts with customers" though these accounting standards are mandatory for the accounting periods beginning on or after January 1, 2018. In the absence of impact assessment relating to these standards, we are unable to quantify the impact on these financial statements for the year ended December 31, 2020 including the relevant disclosures and revision to the accounting policies as required on adoption of these accounting standards.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in the Kingdom of Bahrain, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other matter

The financials statements as of and for the year ended December 31, 2019 were audited by another auditor whose report dated February 16, 2020 expressed a qualified opinion.

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ص. ب: ٩٩٠ المنامة، مملكة البحرين

Independent Auditor's Report

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

Board of the Society is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as Board 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, Board of the Society is responsible for assessing the Society'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 the Board either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement 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 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 Society'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 Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, then 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 Society to cease to continue as a going concern.



Independent Auditor's Report

- 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Society to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Society audit. We remain solely responsible for our audit opinion.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

Furthermore, in our opinion and to the best of our knowledge and belief, no violations of the Law of Social & Cultural Societies associated with Association, promulgated by Legislative Decree No. 21 of 1989, have occurred during the year ended December 31, 2020 that might have had a material adverse effect on the business of the Society or on its financial position.

TALAL ABU-GHAZALEH & CO. INTERNATIONAL

Saif Al Bawab, Reg. No. 144

Partner

February 1, 2021

Manama - Kingdom of Bahrain

BAHRAIN SOCIETY OF ENGINEERS


Juffair - Bahrain


STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2020

EXHIBIT A

ASSETS	Note	2020 BD	2019 BD
Non-Current Assets			
Property, plant and equipment	5	<u>2,058,911</u>	<u>1,851,418</u>
Total Non-Current Assets		<u>2,058,911</u>	<u>1,851,418</u>
Current Assets			
Inventories	6	2,956	2,956
Prepayments and other receivables	7	79,209	40,695
Accounts receivable	8	501,053	340,076
Deposit with banks	9	1,972,654	2,223,386
Cash and bank balances	10	<u>27,920</u>	<u>49,386</u>
Total Current Assets		<u>2,583,792</u>	<u>2,656,499</u>
TOTAL ASSETS		<u>4,642,703</u>	<u>4,507,917</u>
MEMBERS' FUND AND LIABILITIES			
Members' Fund			
General fund	11 (a)	2,473,637	2,510,058
Financial assistance and support fund	11 (b)	30,425	30,425
Members' fund	11 (c)	32,265	32,265
Revaluation reserve	11 (d)	<u>1,661,552</u>	<u>1,661,552</u>
Total Members' Fund - Exhibit C		<u>4,197,879</u>	<u>4,234,300</u>
Non-Current Liabilities			
Deferred income	12	9,100	13,650
Employees' terminal benefits	13	<u>16,452</u>	<u>17,649</u>
Total Non-Current Liabilities		<u>25,552</u>	<u>31,299</u>
Current Liabilities			
Deferred income	12	4,375	4,690
Accounts payable	14	105,530	187,435
Accruals and other payables	15	<u>309,367</u>	<u>50,193</u>
Total Current Liabilities		<u>419,272</u>	<u>242,318</u>
TOTAL MEMBERS' FUND AND LIABILITIES		<u>4,642,703</u>	<u>4,507,917</u>

These financial statements were approved for issue
on February 1, 2021 by the Board of Directors:


 Dr. Dheya A. Aziz Tawfiq
 (President)


 Dr. Raida Sayed Kadhem Al Alawi
 (Treasurer)

The Accompanying Notes 1 To 27 Constitute An Integral Part Of These Financial Statements.



BAHRAIN SOCIETY OF ENGINEERS


Juffair - Bahrain


STATEMENT OF INCOME AND EXPENDITURE YEAR ENDED DECEMBER 31, 2020

EXHIBIT B

	Note	2020 BD	2019 BD
Revenue	16	364,406	440,691
Cost of operation	17	(217,275)	(275,187)
Surplus from operation		<u>147,131</u>	<u>165,504</u>
Other income	18	59,335	88,414
Staff costs		(88,035)	(108,822)
General and administration expenses	19	(133,254)	(104,431)
Impairment allowance		(21,598)	(24,610)
(DEFICIT)/EXCESS OF INCOME OVER EXPENDITURE FOR THE YEAR- EXHIBIT C		<u>(36,421)</u>	<u>16,055</u>
(DEFICIT)/EXCESS OF INCOME OVER EXPENDITURE TRANSFERRED TO MEMBERS' FUND		<u>(36,421)</u>	<u>16,055</u>

These financial statements were approved for issue
on February 1, 2021 by the Board of Directors:


Dr. Dheya A. Aziz Tawfiqi
(President)


Dr. Raida Sayed Kadhem Al Alawi
(Treasurer)

The Accompanying Notes 1 To 27 Constitute An Integral Part Of These Financial Statements.

BAHRAIN SOCIETY OF ENGINEERS

Juffair - Bahrain

**STATEMENT OF CHANGES IN MEMBERS' FUND
YEAR ENDED DECEMBER 31, 2020**

	General Fund BD	Financial Assistance and support Fund BD	Members' Fund BD	Revaluation Reserve BD	Total BD
Members' Fund, December 31, 2018	2,494,325	30,264	32,104	1,661,552	4,218,245
Excess of income over expenditure for the year 2019	16,055	-	-	-	16,055
Transferred for the year	(322)	161	161	-	-
Members' Fund, December 31, 2019 - Exhibit A	2,510,058	30,425	32,265	1,661,552	4,234,300
Deficit of income over expenditure for the year 2020	(36,421)	-	-	-	(36,421)
Members' Fund, December 31, 2020 - Exhibit A	2,473,637	30,425	32,265	1,661,552	4,197,879

The Accompanying Notes 1 To 27 Constitute An Integral Part Of These Financial Statements.



BAHRAIN SOCIETY OF ENGINEERS

Juffair - Bahrain

STATEMENT OF CASH FLOWS YEAR ENDED DECEMBER 31, 2020

EXHIBIT D

	2020 BD	2019 BD
CASH FLOWS FROM OPERATING ACTIVITIES		
(Deficit)/Excess of income over expenditure for the year	(36,421)	16,055
Adjustments for :		
Depreciation	16,453	15,861
Bad debts written off	-	4,500
Loss on disposal of property, plant and equipment	1,770	-
Provision for employees' terminal benefits	5,716	3,808
Impairment allowance	21,598	24,610
Interest income	(49,269)	(71,749)
Amortization of deferred income	(4,865)	(5,250)
Operating deficit before working capital changes	(45,018)	(12,165)
(Increase)/Decrease in accounts receivable	(182,575)	95,531
(Increase) in prepayments and other receivable	(38,514)	(15,229)
(Increase) in inventories	-	(1,103)
(Decrease) in accounts payable	(81,905)	(185,288)
Increase/(Decrease) in accruals and other payables	259,174	(21,598)
Employees terminal benefits paid	(6,913)	(409)
Net cash used in operating activities	(95,751)	(140,261)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(226,226)	(80,995)
Proceeds from disposal of property, plant and equipment	510	-
Interest received	39,240	71,749
Net movement in short-term fixed deposits	(29,455)	(491,222)
Net cash used in investing activities	(215,931)	(500,468)
Decrease in cash and cash equivalents	(311,682)	(640,729)
Cash and cash equivalents at the beginning of the year	869,682	1,510,411
CASH AND CASH EQUIVALENTS AT THE END OF YEAR- NOTE 20	558,000	869,682

The Accompanying Notes 1 To 27 Constitute An Integral Part Of These Financial Statements.



BAHRAIN SOCIETY OF ENGINEERS

Juffair - Bahrain

NOTES TO FINANCIAL STATEMENTS

1. STATUS AND ACTIVITIES:

Bahrain Society of Engineers (hereinafter referred to as the "Society") was established in the Kingdom of Bahrain and registered with Ministry of Social Development in the Kingdom of Bahrain under the registration number 76/J/M dated March 15, 1992.

The principal activity of the Society is to contribute to the industrial development activities in the Kingdom of Bahrain in co-operation with the competent authorities, plan the basics for engineering profession and enhance its standards in co-operation with the Ministry of Labour and Social Affairs and other concerned Ministries, establish and promote relations through scientific and technological co operation between engineers in Bahrain and their colleagues in the Arab as well as non-Arab countries.

2. ADOPTION OF NEW AND REVISED STANDARDS:

New and amended standards effective for the annual reporting period commencing January 1, 2020:

- Amendments to IFRS 9, IAS 39 and IFRS 7 - As a first reaction to the potential effects of the IBOR reform could have on financial reporting. The amendments are effective annual reporting periods beginning on or after January 1, 2020.
- Amendments to IFRS 3- Aimed at resolving the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments are effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning or after January 1, 2020.
- Amendments to IAS 1 and IAS 8 - To clarify the definition of "material" and to align the definition used in the Conceptual Framework and the standards themselves. The amendments are effective for annual reporting periods beginning on or after January 1, 2020.
- Amendment to IFRS 16 Covid-19 - Related Rent Concessions amending the standard to provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. The amendment is effective for annual reporting periods beginning on or after June 1, 2020.
- Together with the revised 'Conceptual Framework' published in March 2018, the IASB also issued 'Amendments to References to the Conceptual Framework in IFRS Standards'. The amendments are effective for annual periods beginning on or after January 1, 2020.

New and revised IFRS, issued but not yet effective:

- IFRS 17 Insurance contracts - Effective date on January 1, 2023. This standard replaces IFRS 4 "Insurance contracts". IFRS 17 creates one accounting model for all insurance contracts in all jurisdictions that apply IFRS.
- IFRS 17 requires an entity to measure insurance contracts using updated estimates and assumptions that reflect the timing of cash flows and take into account any uncertainty relating to insurance contracts. IFRS 17 is irrelevant to the Society.
- The financial statements of an entity will reflect the time value of money in estimated payments required to settle incurred claims. Insurance contracts are required to be measured based only on the obligations created by the contracts. An entity will be required to recognize profits as an insurance service is delivered, rather than on receipt of premiums.



BAHRAIN SOCIETY OF ENGINEERS

Juffair - Bahrain

NOTES TO FINANCIAL STATEMENTS

- IFRS 10 “Consolidated Financial Statements” - The effective date of this amendment has been deferred indefinitely until further notice. Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28): Narrow scope amendment address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The application of these amendments is not expected to result in a material effect on the financial statements of the Society.
- Amendments to IAS 28 and IFRS 10 Sale or contribution of assets between an investor and its associate or joint venture - The effective date of this amendment has been deferred indefinitely until further notice. The amendments clarify the accounting treatment for sales or contribution of assets between an investor and its associates or joint ventures. The application of these amendments is not expected to result in a material effect on the financial statements of the Society.
- Amendments to IAS 1 Classification of Liabilities as Current or Non-current providing a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments are effective for annual periods beginning on or after January 1, 2023.
- Amendments to IAS 16 Property, Plant and Equipment — Proceeds before intended use regarding proceeds from selling items produced while bringing an asset into the location and condition necessary for it to be capable of operating in the manner intended by management. The amendments are effective for annual reporting periods beginning on or after January 1, 2022.
- Annual Improvements to IFRS Standards 2018-2020. The pronouncement contains amendments to four International Financial Reporting Standards (IFRSs) as result of the IASB's annual improvements project. The amendments are effective for annual reporting periods beginning on or after January 1, 2022.
- Amendments to IAS 37 Onerous Contracts - Cost of Fulfilling a Contract amending the standard regarding costs a Society should include as the cost of fulfilling a contract when assessing whether a contract is onerous. The amendments are effective for annual reporting periods beginning on or after January 1, 2022.
- Amendments to IFRS 3 Reference to the Conceptual Framework with amendments to IFRS 3 'Business Combinations' that update an outdated reference in IFRS 3 without significantly changing its requirements. The amendments are effective for annual reporting periods beginning on or after January 1, 2022.
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform - Phase 2 with amendments that address issues that might affect financial reporting after the reform of an interest rate benchmark, including its replacement with alternative benchmark rates. The amendments are effective for annual periods beginning on or after January 1, 2021.
- Other new amendments IFRS and interpretations issued but not effective are not relevant to the financial statements of the Society.

The management anticipates that the adoption of these Standards and Interpretations in future periods will have no material financial impact on the financial statements of the Society.

BAHRAIN SOCIETY OF ENGINEERS

Juffair - Bahrain

NOTES TO FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES:

The accompanying financial statements have been prepared in accordance with International Financial Reporting Standards.

The following is a summary of the significant accounting policies adopted in the preparation of these financial statements:

(a) Accounting Convention:

The accompanying financial statements are prepared under the historical cost convention except where stated otherwise.

(b) Property, Plant and Equipment:

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are initially recognized at their cost being their purchase price plus any other costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by Board of Trustees.

After initial recognition, the property, plant and equipment are carried, in the statement of financial position, at their cost less any accumulated depreciation and any accumulated impairment. The depreciation charge for each period is recognized in the statement of income and expenditure. Depreciation is calculated on a straight line basis and assuming no salvage value, which reflects the pattern in which the asset's future economic benefits are expected to be consumed by the Society over the estimated useful life of the assets as follows:

	Estimated useful life
Freehold Land	- not depreciated
Building	- 20 years
Boundary wall	- 10 years
Central air-conditioning unit	- 10 years
Furniture and fixtures	- 8 years
Office equipment	- 4 years

Expenditures for major additions and improvements are capitalized, while maintenance and repairs which do not enhance the economic lives of the assets, its capacity or reducing substantially operating costs are charged to expense when incurred. When items of property, plant and equipment are retired, sold or otherwise disposed off, the related cost/value and accumulated depreciation thereto are removed from the accounts and any resulting gain or loss is currently included in the statement of income and expenditure.

The depreciation charge for each period is recognized in the statement of income and expenditure. The estimated useful lives, residual values and depreciation method are reviewed at each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Freehold land is revalued, based on the market value appraisal made by independent property valuers. When an asset is revalued, any increase in the carrying amount arising on revaluation is accumulated in "Funds and Reserve" under the heading "revaluation reserve" unless it represents the reversal of a revaluation decrease of the same asset previously recognised as an expense, in which case it is recognised as income. A decrease arising as a result of revaluation is recognised as an expense, to the extent that it exceeds any amount previously credited to revaluation surplus relating to the same asset. When a revalued asset is disposed off, any revaluation surplus is transferred directly to general funds.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in the circumstances indicate the carrying value may not be recoverable. If any such indication of impairment exists, impairments losses are calculated in accordance with Note 3 (c).



BAHRAIN SOCIETY OF ENGINEERS

Juffair - Bahrain

NOTES TO FINANCIAL STATEMENTS

(c) Impairment of Tangible and Intangible Assets:

At the end of each reporting period, the Society reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any, being the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of asset's fair value less costs to sell and the value in use. The asset's fair value is the amount for which that asset could be exchanged between knowledgeable, willing parties in arm's length transaction. The value in use is the present value of the future cash flows expected to be derived from the asset. An impairment loss is recognized immediately in the statement of income and expenditure, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Intangible assets with indefinite useful lives are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but the increased carrying amount due to reversal should not be more than what the depreciated historical cost would have been if the impairment had not been recognized in prior years. A reversal of an impairment loss is recognized immediately in the statement of income and expenditure unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(d) Leases:

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Society's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Society if it is reasonable certain to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Society is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

BAHRAIN SOCIETY OF ENGINEERS

Juffair - Bahrain

NOTES TO FINANCIAL STATEMENTS

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Society revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

(e) Provisions:

Provisions are present obligations (legal or constructive) resulted from past events, the settlement of the obligations is probable and the amount of those obligations can be estimated reliably. The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting date, that is, the amount that the Society would rationally pay to settle the obligation at the end of the reporting date or to transfer it to a third party.

Provisions are reviewed and adjusted at the end of the reporting date. If outflows to settle the provisions are no longer probable, provision amount is reversed and recorded as income. Provisions are only used for the purpose for which they were originally recognized.

(f) Financial Instruments:

Financial Instruments - A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are either financial assets or financial liabilities.

Effective interest method - The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets - A Financial assets is any asset that is: cash, an equity instrument of another entity, or a debt instrument of another entity (a contractual right to receive cash or another financial asset from another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the entity, or a contract that will or may be settled in the entity's own equity instruments).

Cash and cash equivalents - For the purpose of the statement of cash flows, cash comprises cash on hand and demand deposits where cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

i) Initial measurement - Financial assets are recognized when the Society becomes party to the contractual provisions of the instruments. At initial recognition, the Society measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.



BAHRAIN SOCIETY OF ENGINEERS

Juffair - Bahrain

NOTES TO FINANCIAL STATEMENTS

Trade receivables are measured at the amount of consideration to which the Society expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

ii) Subsequent measurement

Debt instruments - Subsequent measurement of debt instruments depends on the Society's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

Amortized cost - Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Financial assets are measured at amortized cost using the effective interest method, less impairment. Gains and losses are recognized in profit or loss when the assets are derecognized or impaired, and through amortization process.

Fair value through other comprehensive income (FVOCI) - Financial assets that are held for collection of contractual of cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognized in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognized in profit or loss. The cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognized.

Fair value through profit or loss - Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss in the period in which it arises.

Equity Instruments - The Society subsequently measures all equity instruments at fair value. On initial recognition of an equity instrument that is not held for trading, the Society may irrevocably elect to present subsequent changes in fair value in Other Comprehensive Income (OCI). Dividends from such investments are to be recognized in profit or loss when the Society's right to receive payments is established.

Changes in fair value of financial assets at fair value through profit or loss are recognized in profit or loss.

Changes in fair value of financial assets at FVOCI are recognized in other comprehensive income.

iii) Impairment - The Society assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instrument assets carried at amortized cost and FVOCI. For trade receivables, the Society measures the loss allowance at an amount equal to the lifetime expected credit losses.

iv) Derecognition - A financial asset is derecognized where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognized in other comprehensive income for debt instruments is recognized in profit or loss.

Financial liabilities - Financial liabilities are recognized when the Society becomes a party to the contractual provisions of the financial instrument. The Society determines the classification of its financial liabilities at initial recognition.

BAHRAIN SOCIETY OF ENGINEERS

Juffair - Bahrain

NOTES TO FINANCIAL STATEMENTS

i) Initial recognition and measurement - All financial liabilities are recognized initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

ii) Subsequent measurement - After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in profit or loss when the liabilities are derecognized, and through the amortization process.

iii) Derecognition - A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

(g) Employee benefits

Short-term employees' benefits are recognised in the statement of income on an accrual basis.

Pensions and other social benefits for Bahraini employees are covered by the Social Insurance Organisation's Scheme to which employees and employers contribute monthly on a fixed-percentage-of-salaries basis. The Society's contribution to this scheme is expensed as incurred.

Expatriate employees are entitled to leaving indemnities payable under the Bahrain Labour Law for the Private Sector 1976, based on length of service and final salary and other allowances paid. Provision for this unfunded commitment has been made by calculating the notional liability had all employees left at the reporting date.

(h) Foreign Currencies:

The financial statements are presented in the currency of the primary economic environment in which the Society operates (its functional currency). In preparing the financial statements, transactions in currencies other than the Society's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At the end of the reporting period monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date (closing rate). Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in foreign currency are translated using the exchange rates at the date when the fair value was determined.

(i) Deferred income:

Deferred income represents the life membership fees received from the members. Deferred income are recognised in the statement of income and expenditure on a systematic basis over a period of 10 years.

(j) Revenue:

Performance obligation and timing of revenue recognition. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided, because the customer receives and uses the benefits simultaneously.

Revenue from subscription consists of fees collected from members for Society's membership.

Tamheed project income refers to the fixed reimbursement received from Tamkeen on meeting certain pre-defined criteria and are recognised on accrual basis.



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Income from conferences and seminars, workshops and training courses are recognised on an accrual basis.

Rental income is recognised on an accrual basis.

Determining the transaction price. In case of fixed-price contracts, the member pays the fixed amount based on a payment schedule. If the services rendered exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

Allocating amounts to performance obligations. The Society's revenue is derived from fixed price contracts and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices.

Other income. Other income is accounted for on the accruals basis, unless collectability is in doubt.

(k) Government grants:

Grants that compensate the Society for expenses incurred are recognised in profit or loss as other income on a systematic basis in the periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In that case, the grant is recognised when it becomes receivable.

(l) Contingent Liabilities:

Contingent liabilities are possible obligations depending on whether some uncertain future events occur, or they are present obligations but payments are not probable or the amounts cannot be measured reliably. Contingent liabilities are not recognized in the financial statements.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION

UNCERTAINTY:

In the application of the Society's accounting policies, which are described in note 3, the management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized 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.

Impairment of financial assets - The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Society uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Going Concern

The Society's management has made an assessment of the Society's ability to continue as a going concern and is satisfied that the Society has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt on the Society's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on a going concern basis.

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5. PROPERTY, PLANT AND EQUIPMENT:

The reconciliation of the carrying amount of property, plant and equipment at the beginning and end of the year is as follows:

COST/VALUE:	Freehold	Buildings	Boundary Wall	Central Air conditioning unit	Furniture and Fixtures	Office Equipment	Capital Work-in-Progress	Total
	Land BD	BD	BD	BD	BD	BD	BD	BD
At December 31, 2019	1,661,552	460,534	6,705	40,119	94,781	130,018	112,416	2,506,125
Additions during the year	-	-	-	-	24,516	325	201,385	226,226
Disposal during the year	-	-	-	-	(14,588)	-	-	(14,588)
At December 31, 2020	1,661,552	460,534	6,705	40,119	104,709	130,343	313,801	2,717,763
DEPRECIATION:								
At December 31, 2019	-	431,002	4,702	34,218	66,910	117,875	-	654,707
Charge for the year	-	2,124	671	4,012	6,133	3,513	-	16,453
Relating to disposal	-	-	-	-	(12,308)	-	-	(12,308)
At December 31, 2020	-	433,126	5,373	38,230	60,735	121,388	-	658,852
NET CARRYING AMOUNTS:								
At December 31, 2020 - Exhibit A	1,661,552	27,408	1,332	1,889	43,974	8,955	313,801	2,058,911
At December 31, 2019 - Exhibit A	1,661,552	29,532	2,003	5,901	27,871	12,143	112,416	1,851,418

Freehold land located in Juffair, bearing title deed no. 1372/1973 and registration no. 2594/1973 was donated to the society by H.H. The Late Amir, Shaikh Isa Bin Salman Al Khalifa, which has been revalued at its market value by Nasser Real Estate Agency, an independent professional property valuer on January 15, 2014. The revaluation surplus of BD 1,661,552 (including the carrying value as on December 31, 2012 amounting to BD 511,236) has been credited to a revaluation reserve under General Fund which will be released only on disposal of the land.





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6. INVENTORIES:

Inventories are stated at their net realizable value as follows:

	2020	2019
	BD	BD
Stock of gift articles, mementoes, etc	2,956	2,956
Total - Exhibit A	2,956	2,956

7. PREPAYMENTS AND OTHER RECEIVABLES:

This item consists of the following:

	2020	2019
	BD	BD
Prepaid expenses	67,149	31,745
Advances to staff	1,350	2,750
Other receivables	10,710	6,200
Total - Exhibit A	79,209	40,695

8. ACCOUNTS RECEIVABLE:

Accounts receivable are of short duration and stated at their estimated net realizable value after deducting the impairment allowance as follows:

	2020	2019
	BD	BD
Membership and financial assistance fee receivable	57,879	47,284
Conference and seminars receivables	464,772	317,402
Impairment allowance	(21,598)	(24,610)
Net - Exhibit A	501,053	340,076

Movements of the impairment allowance is as follows:

	2020	2019
	BD	BD
Opening balance	24,610	23,865
Impairment allowance during the year	21,598	24,610
Amounts written-off during the year	(24,610)	(23,865)
Closing balance	21,598	24,610

During the year 2018, the Society's Board of Directors approved and implemented a provisioning policy towards overdue accounts receivables as required by International Accounting Standards as well as best practices. As per the approved policy, the accounts receivable aged and outstanding for more than one year will be fully provided. Based on this policy, the Society has created an impairment allowance of BD 21,598 on its overdue accounts receivables as per their ageing.

9. DEPOSIT WITH BANKS:

This item consists of the following:

	2020	2019
	BD	BD
Fixed deposit with bank maturing after three months from the date of placement	1,442,574	1,403,090
Fixed deposit with bank maturing within three months from the date of placement	530,080	820,296
Total - Exhibit A	1,972,654	2,223,386

Deposits with bank carry interest at current market rates.

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10. CASH AND BANK BALANCES:

This item consists of the following:	2020	2019
	BD	BD
Cash on hand	733	5,633
Unrestricted checking accounts with banks	27,187	43,753
Total - Exhibit A	<u>27,920</u>	<u>49,386</u>

11. MEMBERS FUND AND RESERVES:

a) **General fund**

General fund represents the accumulated surplus of income over expenditure.

b) **Financial assistance and support fund**

An amount equivalent to 1% of the Society's excess of income over expenditure for the year needs to be transferred to the financial assistance and support fund. The balance available in this fund is to be used in case of winding up or liquidation. During the year, funds has not been transferred to the members' fund due to net deficit (2019: BD 161). This is subject to the approval of members in the Annual General Meeting.

c) **Members' fund**

An amount equivalent to 1% of the Society's excess of income over expenditure for the year needs to be transferred to the members fund. The balance available in this fund is to be used in case of winding up or liquidation. During the year funds has not been transferred to the members' fund due to net deficit (2019: BD 161). This is subject to the approval of members in the Annual General meeting.

d) **Revaluation reserve**

The revaluation reserve represents revaluation surplus on revaluation of freehold land and is a non-distributable reserve.

12. DEFERRED INCOME:

This item consists of the following:	2020	2019
	BD	BD
Opening balance	18,340	23,590
Amortised during the year	(4,865)	(5,250)
Closing balance	<u>13,475</u>	<u>18,340</u>
Classified as:	2020	2019
	BD	BD
Non-Current portion - Exhibit A	9,100	13,650
Current portion - Exhibit A	4,375	4,690
Total	<u>13,475</u>	<u>18,340</u>

The fees received by the Society towards life membership fees have been classified as deferred income and are recognised in the statement of income and expenditure over a period of 10 years.

That portion of the life membership fees which will get amortised within twelve months from the statement of financial position date is disclosed as current portion of deferred income.



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13. EMPLOYEES' TERMINAL BENEFITS:

This item consists of the following:	2020 BD	2019 BD
Opening balance	17,649	14,250
Provision for staff benefits	5,716	3,808
Payment during the year	(6,913)	(409)
Closing balance - Exhibit A	16,452	17,649

14. ACCOUNTS PAYABLE:

This item consists of the following:	2020 BD	2019 BD
Seminars and conferences payable	105,530	187,435
Total - Exhibit A	105,530	187,435

As of December 31, 2020, the accounts payable balance amounted to BD 105,530 included three suppliers whose total balance amounted to BD 87,652 which constituted 83% of the total outstanding balance thereof as of that date.

15. ACCRUALS AND OTHER PAYABLES:

This item consists of the following:	2020 BD	2019 BD
Payable to Project Management Association (PMA)	147,203	27,180
Conference fee received in advance	141,026	-
Provision for leave salary and air passage	7,687	5,646
VAT payable	-	6,596
Provision for incentives	5,917	5,917
Accruals and other payables	3,393	3,300
Payable to other chapters	4,141	1,554
Total - Exhibit A	309,367	50,193

Amount payable to Project Management Association was transferred to the Society due to shutdown of operations of PMA, this balance is repayable upon initiation of the association.

16. REVENUE:

This item consists of the following:	2020 BD	2019 BD
Conferences and seminars	6,000	205,804
Tamheed project	309,286	149,143
Workshop and training courses	-	31,722
Membership subscriptions	49,120	45,144
Facilities rental income	-	4,364
Masdar and Dubai education visit income	-	4,514
Total - Exhibit B	364,406	440,691

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17. COST OF OPERATION:

This item consists of the following:	2020 BD	2019 BD
Conferences and seminars	8,887	169,490
Tamheed project expenses	192,339	62,271
Workshop and training courses	16,049	36,995
Masdar and Dubai education visit expenses	-	6,431
Total - Exhibit B	217,275	275,187

18. OTHER INCOME:

This item consists of the following:	2020 BD	2019 BD
Interest on fixed deposit	49,269	71,749
Scholarship for students	5,800	-
Covid-19 government support	1,328	-
Payables written back	-	16,169
Miscellaneous income	2,938	496
Total - Exhibit B	59,335	88,414

19. GENERAL AND ADMINISTRATION EXPENSES:

This item consists of the following:	2020 BD	2019 BD
Depreciation	16,453	15,861
HQ administration expenses	13,307	13,483
Utilities expenses	13,736	11,975
General activities expenses	1,642	10,578
Federation of Arab Engineers expenses	2,337	8,196
Scholarship for students	19,094	7,022
Repair and maintenance expenses	10,094	5,302
Gulf Engineering Forum expenses	167	5,243
Impairment loss	550	4,500
BSE awards and graduation project	170	4,497
Other general and administrative expenses	5,601	3,708
WFEO expenses	468	3,148
Journal expenses	1,770	2,764
Digital transformation project expenses	21,117	2,442
Provision for incentives	-	1,784
Taheel project BSE	-	1,207
Rebranding expenses	-	1,192
Bank charges and commissions	620	799
Training course expenses	345	-
COVID 19 contribution support	23,804	-
Loss on disposal of property, plant and equipment	1,770	-
Debt collection fee	209	730
Total - Exhibit B	133,254	104,431



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20. CASH AND CASH EQUIVALENTS:

This item consists of the following:	2020	2019
	BD	BD
Cash on hand	733	5,633
Unrestricted checking accounts with banks	27,187	43,753
Fixed deposit with bank maturing within three months from the date of placement	530,080	820,296
Cash and cash equivalents - Exhibit D	558,000	869,682

21. TRANSACTION AND BALANCES WITH RELATED PARTY:

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 and operating decisions. Related parties include the members, Board of Directors, Key management personnel and their close family members and such other companies over which the Society or its members, board of Directors, key management personnel and their close family members can exercise significant influence or can be significantly influenced by those parties. Transactions with the related parties are authorized by the management and are on arm's length basis.

22. COMMITMENTS:

Capital commitments

Commitments on capital work-in-progress at the end of the year were as follows:

	2020	2019
	BD	BD
Work contracted towards consultancy fees on capital work-in-progress	83,000	83,000
	83,000	83,000

23. RISK MANAGEMENT:

The Society monitors and manages the financial risks relating to its business and operations. These risks include: capital risk, credit risk and liquidity risk.

The Society seeks to minimize the effects of these risks by diversifying the sources of its capital. It maintains timely reports about its risk management function and monitors risks and policies implemented to mitigate risk exposures.

a) Capital Risk:

Regularly, the Society reviews its capital structure which, includes debt and equity securities and considers the cost of capital and the risks associated with each class of the capital. It manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

b) Credit risk:

Credit risk is defined as inability to collect financial instruments which may result in losses to the Society. As of the reporting date, the Society had maintained recognized financial instruments that are exposed to credit risk.

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The recognized financial instruments that subject the Society to credit risk consist principally of cash and cash equivalents and accounts receivable.

The management believes that the credit risk concentration attached to cash and cash equivalents is insignificant as the banks in which cash are placed, maintain an acceptable credit standing and capital base. Previously, the Society had not experienced any material losses from its cash and cash equivalents maintained with these banks.

Accounts receivable amounted to BD 522,651 as of December 31, 2020. Credit period extended to various customers range from 30 to 120 days, however in certain cases, credit period may be extended beyond the above indicated range on a case-by-case basis. The management regularly monitors credit risk exposures and take steps to mitigate the likelihood of those exposures resulting in a loss. The Society maintains an impairment allowance which in the opinion of the management is sufficient to meet anticipated credit losses.

As of December 31, 2020, the balance of one customer amounted to BD 347,447 which constituted 66% of the total outstanding receivable balance as of that date.

The carrying amount of financial assets recorded in the financial statements represents the Society's maximum exposure to credit risk without taking into account the value of any collateral obtained.

c) Liquidity risk:

Liquidity risk is the risk that the Society will encounter difficulties in raising funds to meet commitments associated with financial instruments.

The Society maintains adequate reserves by monitoring its cash flows and matching them with maturity dates of the financial assets and liabilities.

Financial instruments excluding cash and cash equivalents and deposits that expose the Society to liquidity risk along with the timing of their collection and settlement are as follows:

	2020		2019 BD
	Mature within one year BD	Total BD	
Assets			
Advances and other receivables	12,060	12,060	8,950
Accounts receivable	501,053	501,053	340,076
Total	513,113	513,113	349,026
Liabilities			
Accounts payable	(105,530)	(105,530)	(187,435)
Accruals and other payables	(309,367)	(309,367)	(50,193)
Total	(414,897)	(414,897)	(237,628)
Net financial position	98,216	98,216	111,398

24. FAIRVALUE OF FINANCIAL INSTRUMENTS:

Financial instruments comprise of financial assets, financial liabilities and derivative financial instruments.

Financial assets consists of bank balances and cash and contract receivables and other receivables.



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Financial liabilities consists of trade payable and accruals and other payables.

The management assessed that bank and cash, contract receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair value of financial instruments are not materially different from their carrying value as of the reporting date.

25. IMPACT OF COVID-19:

The outbreak of the novel Coronavirus (Covid-19) in early 2020 in most countries has caused widespread disruptions to business, with a consequential negative impact on economic activities. The Society is continually monitoring its impact, while working closely with the local regulatory authorities, to manage the potential business disruption of the COVID-19 outbreak.

In light of COVID-19, the Society has considered whether any adjustment and changes in judgments, estimates and risk management are required to be considered and reported in the financial statement. Below are the key assumptions about the future and other key sources of estimation that may have a significant risk of causing material adjustment to the financial statement:

Impairment of non-financial assets

The Society has performed a qualitative assessment for its investment in CGUs, considering the minimal impact of COVID-19 compared to the actual results for the period against the budget and industry benchmarks to conclude the impairment assessment as at December 31, 2020 remains largely unchanged.

The Society has also considered any impairment indicators arising and any significant uncertainties around its property, plant and equipment, intangible assets and right-of-use assets especially arising from any change in lease terms and concluded there is no material impact due to COVID-19.

Expected Credit Losses ("ECL") and impairment of financial assets.

The Society has applied management overlays on the existing ECL models by applying probability weightage scenarios on the relevant macroeconomic factors relative to the economic climate of the respective market in which it operates. The Society has also assessed the exposures in potentially affected sectors for any indicators of impairment and concluded there is no material impact on account of COVID-19.

Commitments and contingent liabilities

The Society has assessed the impact of any operational disruptions, including any contractual challenges and changes in business or commercial relationships among the Society, customers and suppliers, with a view of potential increase in contingent liabilities and commitments and no issues were noted.



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Going Concern

The Society has performed an assessment of whether it is a going concern in the light of current economic conditions and all available information about future risks and uncertainties. The projections have been prepared covering the Society's future performance, capital and liquidity. The impact of COVID-19 may continue to evolve, but at the present time the projections show that the Society has ample resources to continue in operational existence and its going concern position remains largely unaffected and unchanged from December 31, 2020. As a result, this financial statement has been appropriately prepared on a going concern basis.

26. SUBSEQUENT EVENTS:

There were no significant events subsequent to December 31, 2020 and occurring before the date of approval of the financial statements that would have a significant effect on these financial statements.

27. GENERAL:

- a) Prior year's comparative figures have been reclassified wherever necessary for the purpose of comparison.
- b) The figures in the financial statements are rounded-off to the nearest Bahraini Dinar (BD).