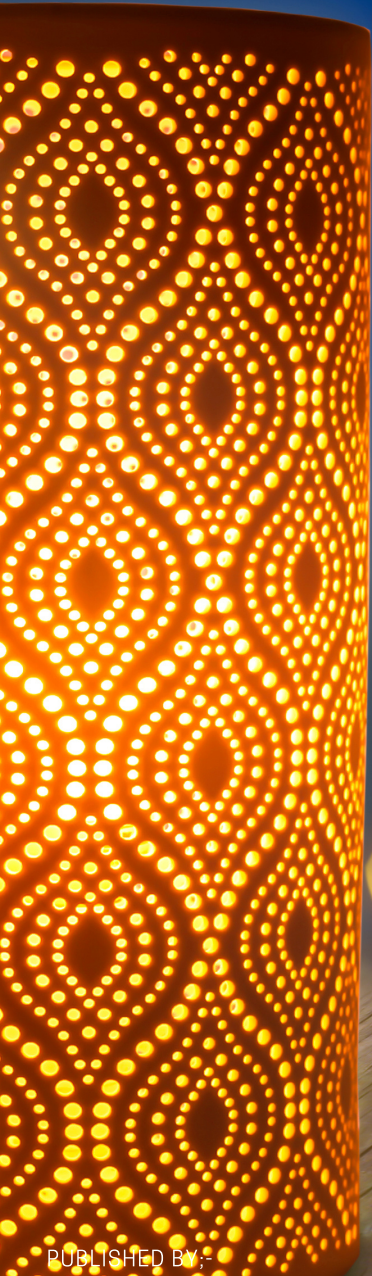


# TrialBalance

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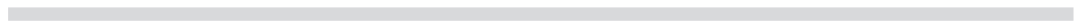
PUBLISHED BY:-

**ama**

ABDULLA ALMULLA  
AUDITING & ACCOUNTING

**SHEIKH  
HAMDAN BIN RASHID  
AL MAKTOUM AND HIS  
LEGACY**

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# EDITORIAL

Dear Reader,

It is an absolute pleasure to welcome you to Trial Balance Magazine as we start our sixth month of publication.

Trial Balance is a supplementary brand Magazine published by AM Audit to share the latest blogs & Articles for Financial Education purposes.

Our mission is to bring the community thoughtful and engaging information on Finances. Anyone is welcome to submit their work on Finances for publication on our email. Entries for print publication are feature-length pieces (many mediums accepted and encouraged) and are scrutinized to a higher degree.

Use our website to read articles. As a publication, we do not advocate for any specific political ideology. We see our platform as a sacred space of learning.

I am elated to be furthering the mission of Trial Balance.

Cheers,

Team AM Audit

# ABOUT OUR COMPANY



ABDULLA ALMULLA  
AUDITING & ACCOUNTING

Abdulla Al Mulla Auditing and Accounting—AM Audit—has been rendering some of the most effective, value-adding and top-notch auditing, accounting and business consulting services to our clientele. Our clients consist largely of large enterprises and SMEs carrying out their businesses across the globe. Over the years, we have been able to carve a niche out for our impeccable services offering reliable and timely support our clients unfailingly.

In our constant efforts to provide our clients with the most suitable service propositions on time, we have toiled day in, day out creation service offerings based on our profound industry insights and knowledge and a special eye for the needs of the clients. We know that each client has different, unique requirements and we need to support them with everything they need. We have been doing exactly that ever since our inception.

Here with AM Audit, the needs and preferences of the clients come first—and we support them just like any of their internal team would. Since our team consists of experienced, qualified and insightful professionals with extensive knowledge of the field and diverse auditing, accounting and business consulting services, our clients often get exceptional service support at AM Audit.



There's an explanation why company valuation reports aren't done all that much. They are a vast undertaking, the overall calculation of a company's worth, profitability, and ability that goes way beyond the numbers and profoundly affects the results of significant business decisions and directions. As a result, not just anybody could draw one up in a detailed, precise, and professional manner. The services of the right professionals who prepare business valuations in Dubai are needed for a successful business valuation report.

Valuing a Business is a part of Art & Science.

”

-Warren Buffet

# What Should a Good **Business** Valuation Report

Consist of?



## Elements of a Good Valuation Report:

1.

### DESCRIPTION OF BUSINESS

This portion of the valuation report requires a detailed understanding of the company's form and how it functions, and the corporate structure and management staff. It further outlines how stock ownership is divided and a detailed review of the company's vulnerabilities and capabilities and the prospects and risks it is likely to face.

Any mistake or omission in the final report could endanger the accuracy of the standard value determined in it, which is why a valuation report should be outsourced to a specialist who offers company valuation services in Dubai.

2.

### IDENTIFICATION OF BUSINESS

The most frequent reasons for a company to be reviewed are whether it is part of an estate, a legal settlement, the break-up of a merger, liquidation, or litigation, or whether the purchaser wishes to sell it or draw new buyers to grow it. Depending on the justification for valuation, these affect the value/s calculated during the valuation analysis, which may include fair value, fair market value, competitive value, and liquidation value.



### 3. **FINANCIAL ANALYSIS**

The past and current market experience will indicate what cash flow amounts to expect in the future. It considers the company's scale and financial profitability and how they relate to the market in which it works. Once expenditure things paint an odd image of the overall cash flow, the valuator will make the appropriate changes.

### 4. **TRENDS IN INDUSTRY & ECONOMY**

When comparing the company to the market in which it works, the evaluator must take a balancing second phase. Since that offers some insight into its history and present importance and hints at its future prospects, the state of the market and the overall economic climate will either suppress or stimulate potential growth, impacting the company's value.

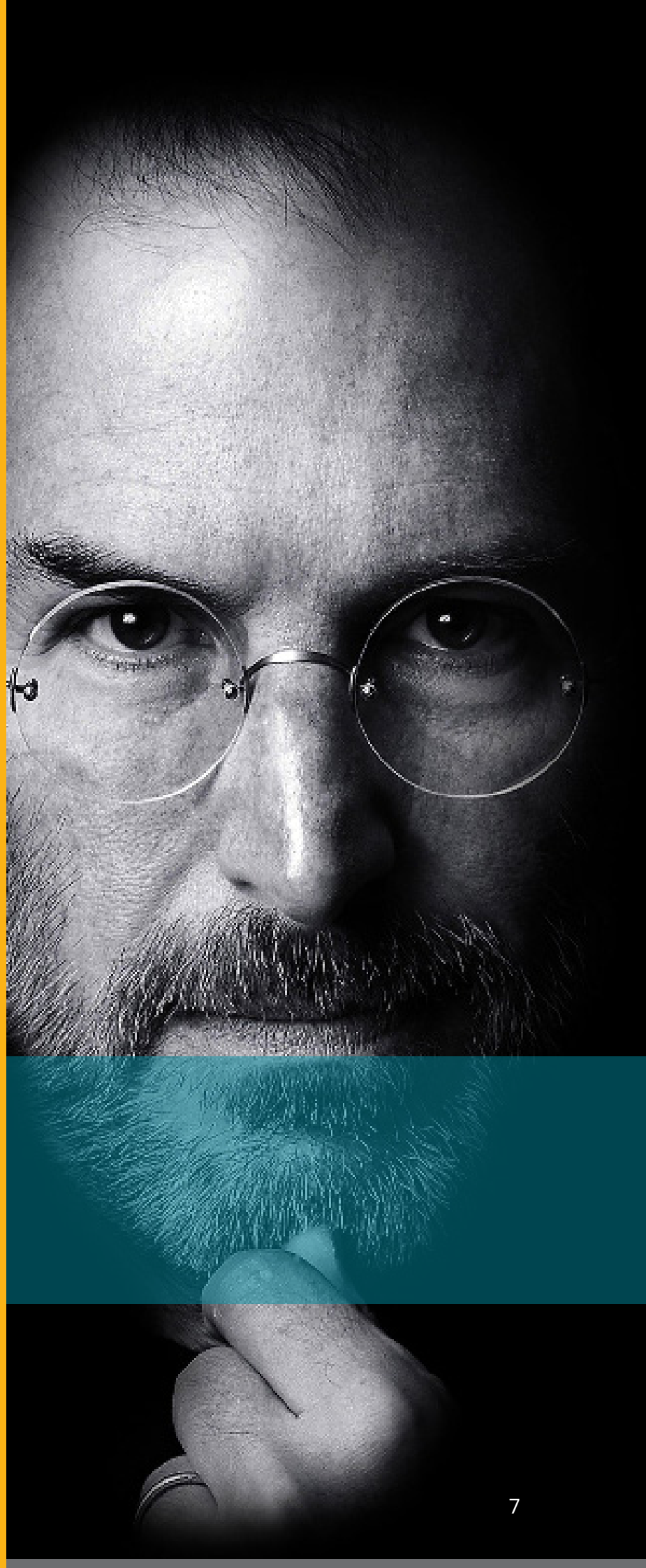
## Sucess Story

Steve Jobs has been known as an iconic figure for the establishment of Apple like the biggest company.

However, it is extremely shocking to know that the \$2 billion company with over 4000 employees has been started with only two persons in a garage.

It is also to be noticed that this great establisher has been dismissed and fired from the company from which he has started his career.

Further, realizing his potential and capabilities, Steve Jobs proceeded further towards establishing this biggest company which is famously known as 'Apple'.







# Bookkeeping for Freelancers in UAE

Any freelancer or solopreneur requires a comprehensive plan to achieve their financial goals, including accurate record keeping, increased profitability, and tax compliance. You, too, will profit from hiring an accounting firm to help organize your finances, regardless of the scale of your start-up. If you want to increase your work chances in the future, you must make sure that you build the foundation with strong bookkeeping and accounting support.

## **Are you a Freelancer serving in UAE?**

When you're a solopreneur or a freelancer, you're a one-man show. You're responsible for not only providing ex-

cellent service but also for less exciting company activities such as accounting. However, it would be best if you did not wait until the tax game to begin keeping track of your finances.

Bookkeeping typically includes several programs aimed at ensuring that all financial transactions are registered. Sales, invoices, purchases, payroll, payments, profits, and other resources are examples of these services.

If you're a freelancer in the UAE and want to avoid the pain of last-minute accounting mistakes that can hurt your company, you should be aware of the challenges and how to solve them ahead of time.

# UAE Taxation & Freelancers

With recent changes to UAE taxation laws affecting freelancers and solo entrepreneurs, hiring an accounting firm's aid and expertise might be more important than ever!

Freelancers who earn more than Dh375,000 per year are required to apply for VAT. VAT registration is optional for those making between Dh187,500 and Dh375,000, and those earning less than Dh187,500 cannot register under current laws.

Some freelancers and solo entrepreneurs may choose to avoid VAT registration's hassle and burden, such as filing quarterly returns and paying VAT on time. There is, however, an excellent reason to do so: UAE businesses are increasingly preferring VAT-registered freelancers over those who aren't, with certain companies opting not to work with unregistered freelancers at all.



## THE DRAWBACK OF OVERLOOKING YOUR BOOKKEEPING



1

Employing a solopreneur who is under-reporting their profits puts the employing business at risk of colluding with freelancers evading their tax obligations, which can sound like a bitter pill to take for lower-income freelancers.



3

Fines of AED 10,000 for the first offense and AED 50,000 for each subsequent offense may be imposed for failing to keep or maintain proper tax records. Many company owners would like to avoid this situation.



4

Financial tracking and preparation are vital for long-term sustainability if you intend to build a profitable company in the future. One of the most common errors freelancers make is failing to keep track of their finances. Delaying bookkeeping each month, missing tax payments, ignoring cash flow problems, manual calculations vulnerable to human error, and hiring an inexperienced accountant to manage your finances are just a few examples of common blunders.



2

Any taxable entity in the UAE is required by UAE VAT laws to keep complete and accurate records of all products and services supplied, imported, and exported. All transactions, credit notes, adjustments, and taxes payable and recoverable must be registered, and records must be held for a period of five years.

# BENEFITS OF EMPLOYING A BOOKKEEPING FIRM FOR YOUR FREELANCING BUSINESS



Now, just like any other issue, bookkeeping headaches for freelancers can be solved in a variety of ways! A development that could help freelancers get around these issues: those earning less than Dh187,500 can team up with other freelancers to reach the minimum threshold requirement.

Freelancers may form a group and register under a single license, allowing their profits to be deemed collectively for VAT purposes. They each also retain their individual profit centers inside the company. Freelancers could be restricted to working for companies that do not require their contractors to be VAT licensed.



## Start Up

Finally, hiring a Dubai accounting company to manage the paperwork associated with VAT registration would include a bunch of new additional benefits. The majority of the small companies are more competitive with the assistance of an accountant or financial advisor, which is the secret to their expansion.

A Certified Public Accountant adds value to a client's business by providing expert financial advice that ensures the company stays profitable, liquid, and solvent. An accounting or audit company may also help

freelancers set up processes and procedures to automate financial and non-financial data capture, ensuring that they meet record-keeping requirements. This creates positive momentum in the workflow, reducing undue tension.



# ACCOUNTING CHECKLIST FOR START-UP IN UAE

## INTRODUCTION

When launching a new business, it's tempting to imagine that doing it yourself will get you through the early stages of funding before the new venture has completely developed its financial teeth and takes in more money than it invests. However, if the DIY solution involves attempting to manage financial activities without the help of competent accounting and bookkeeping services in UAE, or at the very least, a workable accounting checklist to keep things on track, you can lose more money than you save.

Finances are at the core of every business, determining its health and, in many cases, longevity. As a result, it is one of the most challenging company processes. However, other core operations, especially in startups, dictate how much this lifeblood continues to flow. Trying to pay enough attention to finances will divert your attention away from other essential tasks, such as creating, positioning, and promoting your new company. And you could find yourself in a stressful situation with a startup that won't launch, is unable to compete with existing businesses, and does not meet UAE accounting laws.

## CHECKLIST TO KEEP IN MIND

### Daily

The only way to establish a stable and reliable foundation for every bookkeeping and accounting service in UAE is to create a complete and detailed cash sheet. This means systematically tracking the incoming and outgoing cash balance in terms of revenue and costs incurred, as well as reconciling it against receipts and transactions.

### Weekly

Take the daily details a little forward with more in-depth reconciliations using the previous week's cash sheets to refresh financial data, record payments collected, categorize costs reported, and keep the inventory list current. It's also a bright idea to deposit any cash you've got, issue invoices, schedule your bills for reimbursement, and back up the details if you're using accounting or bookkeeping tools.

## **Forth-nightly**

Catch up on any outstanding consumer invoices, add any payments they've made to their invoices, and follow up on any plans that haven't gotten a response.

## **Monthly**

Payroll accounting needs to be done every month. Leaving this for another day, week or month could leave you to face a nightmare at the end of the fiscal year. You can also send checks to the retailers, reconcile your bank balances, and watch your cash to ensure no unnecessary purchases or future theft accidents. It's also a good idea to review your expenses from the previous month to see if there are any areas where you can save money.

## **Quarterly**

In addition to regular, weekly, and fortnightly activities, there is a growing need for more detailed reports and documents. Financial statements, balance sheets, and accounts receivable and payable records are among them.

## **What Bookkeeping and Accounting Services Can Do?**

If you want to outsource either accounting or bookkeeping services in UAE, or if you wish to enlist assistance in both fields from the same or two different firms, these experts will lift any or all of the burden of keeping track of your finances off your shoulders.

Choosing the best professionals to manage these critical areas of your business, on the other hand, is crucial. Before making a decision, do thorough research and review to ensure that you are recruiting the right person to manage your finances, and keep in touch with them regularly during your contract to avoid being detached from that aspect of your company.

# Sheikh Hamdan bin Rashid Al Maktoum

Leaving a legacy in several aspects that have aided the region's extensive and sustainable development process, Sheikh Hamdan bin Rashid Al Maktoum passed away at 75.

As the nation was announced an independent sovereign state in 1971, Sheikh Hamdan was named the Finance Minister and later added industry and trade portfolios as UAE began to reduce its dependence on the oil market. He owned a diverse variety of interests in Dubai, including the Dubai World Trade Centre.

# And his Legacy

In his capacity as President of DEWA, his vision for improving Dubai's electricity and water infrastructure held pace with the demands of sustainable growth and consumer request through well-thought-out strategies built using the most up-to-date forecasting methods.

Education was extremely important to the late Sheikh Hamdan. He was passionate about educating a generation who can catch up with the government in the future and has a forward-thinking outlook. He also urged employees to resume their studies and pursue advanced degrees in science.

He founded the Al Maktoum College of Higher Education in Dundee, Scotland, with the aim of "building bridges between the cultures that make up our community, country, and the world today," namely "western" and "Muslim."

Sheikh Hamdan was a magnificent horseman when he was young. His hobby outside of horse racing was falconry, and he worked as chairman of the Al-Nasr football club in Dubai, which was known for hosting friendly matches with teams like Liverpool, Arsenal, and Santos of Brazil.





# What, Why, and How? **FORENSIC AUDIT**

## **What is a Forensic Audit?**

A forensic audit reviews the accounting statements to collect facts used in a court of trial or civil practice. Among municipal and federal law enforcement, corporate banking, and private investigators, it plays crucial positions. Forensic auditors are extremely valuable after a case has been constructed, from examining and evaluating records to aiding in court. Only with a professional forensic specialist's intervention have some of the most significant and most interesting financial crime cases of all time been solved.

## **Why is a Forensic Audit conducted?**

Following are the several reasons why the forensic audit is conducted.

### **1. Corruption**

When detecting fraud, in a forensic investigation, an auditor will search for:

- Conflicts of interest- Anytime a scammer uses his/her power to damage the business for personal benefits. For instance, whether an employee with whom he has personal connections allows and accepts incorrect expenditures from a boss. Even if the manager did not benefit financially from this approval, he would likely obtain unique benefits since making such improper approvals.
- Bribery- As the name implies, it is bribery to pay money to get work done or manipulate a situation in one's favor.
- Extortion- If ABC Corporation needs money to give XYZ Company a deal, it will amount to extorting.

### **2. Asset misappropriation**

The most prevalent and dominant form of fraud is asset misappropriation. A few examples of such asset misappropriation include:

- Misappropriation of currency.
- The production of false invoices.
- Payments made to non-existing suppliers or employees.
- Misuse of money.
- Inventory theft.



### 3. Financial statement fraud

To portray the company's financial performance as better than it is, businesses get into this kind of scam. The aim of presenting false estimates could be to boost liquidity and ensure top management continues to collect compensation or cope with stock results pressure.

The deliberate forgery of accounting documents, omitting sales, including income or expenses, failing to reveal relevant information from the financial statements, or failure to enforce the appropriate financial reporting requirements are several examples of the type that financial statement fraud takes.

#### How a forensic audit investigation takes place?

Special training in forensic audit methods and the legality of accounting matters is required for a forensic auditor.

In addition to standard audit processes, a forensic audit requires various actions that need to be completed.



## 1. Schedule the investigation

The auditor is expected to consider the audit's focus when the client employs a forensic auditor. E.g., in terms of the nature of raw materials supplied, the customer may be suspicious of potential fraud. The forensic auditor will schedule their investigation to accomplish goals such as:

- Identify what crime is being committed, if any,
- Determine the span of time during which the scam took place
- Discover how it hid the theft
- Identify the culprits of the scam
- Quantify the damage sustained because of the scam
- Collect sufficient proof that is admissible in court
- Offer steps that will avoid such frauds in the business in future



## 2. Collect proof

The forensic auditor is expected at the end of the audit to consider the potential form of crime that has been carried out and how it has been committed. The proof obtained should be sufficient to show the fraudster's identity in court, expose the fraud system's specifics, and record the extent of financial damage suffered and the parties harmed by the fraud.

In understanding the fraud and the facts provided, a logical flow of evidence would support the judge. Forensic auditors are expected to ensure that nobody destroys or alters records and other gathered data.

In a forensic audit, typical procedures used to gather evidence include the following:

- Substantive approaches: such as reconciliation, analysis of records, etc.
- Analytical techniques: are used to compare trends over a certain period or obtain comparative information from various segments.
- Computer: assisted audit methods are software programs that can be used to identify fraud.
- Understanding and checking internal controls: to understand the vulnerabilities that allowed the scam to be committed.



### 3. Interview the suspect

**Reporting:** A report is required so that it can be presented about the scam to a customer. The information should contain the audit results, a review of the facts, an overview of how the crime was conducted, and advice on strengthening internal procedures to deter potential fraud. The report must be sent to a client so that, if they so wish, they can continue to file a court lawsuit.

**Judicial proceedings:** During court trials, the forensic auditor must explain the evidence gathered and how the suspect was found. The complicated accounting problems should be condensed and clarified in the layman's vocabulary. People who do not understand the accounting jargon will nevertheless understand the deception that has been carried out.

#### Taking the example of The Enron Scandal

One of the most prominent securities fraud cases in history may be the Enron scandal. Enron's accounting staff collaborated with executives between the mid-1980s and 2001 to cover millions of dollars in unfinished ventures and debt.

Since the firm's shares plunged in the span of a year from over \$90 to \$1, the U.S. Securities and Exchange Commission (SEC) launched an investigation. Enron's innovative accounting tactics, such as burying leverage in partnerships, inflating the stock price and debt value, and misrep-

resenting financial documents, were uncovered by the SEC's forensic auditors' close analysis of financial statements.

To conclude, a forensic audit is a systematic engagement that needs accounting and auditing methods and regulatory system expertise. A forensic auditor is expected to know multiple frauds that can be committed and how to gather evidence.

Our UAE forensic audit and investigative team have considerable expertise in delivering high-quality, timely, and cost-effective financial and accounting audits, recommendations, expert analyses, and expert testimony.



# A Tale of Strive: Richard Branson's Unstoppable Journey

## RICHARD BRANSON

Richard Branson jumped up the ladder of his modest beginnings as a record by founding the famous Virgin Records as his first company. He is the owner of the Virgin Group and is an English corporate tycoon and philanthropist. Since its inception with Virgin Records, the Virgin group has grown to include over 400 businesses. Branson, a successful entrepreneur, has had a fascinating life full of ups and downs. He has celebrated both his triumphs and setbacks, and he has used his tenacious spirit to turn defeats into stepping stones to success.

Branson has long been an outsider with a knack for making profits. He could spot a sales opportunity when none existed and transform it into a profitable venture.

His music's efforts finally led him to establish Virgin Atlantic and put all of his enterprises under the Virgin Company umbrella. And, at the age of 67, he is still going powerful, building on his more than fifty-year-old legacy.

### Early Years

Richard Charles Nicholas Branson was born in Surrey, England, in 1950 to Edward James Branson and Eve Branson. As a boy, he struggled in education. Richard dropped out for good after failing to keep up with school due to his dyslexia at 16. This socially unorthodox move led him to establish Student, a youth-culture magazine for students. Student's first issue was published in 1966 and included \$8,000 in ads and 50,000 copies released for free.

## Birth of Virgin Records...

One market model led to another. His time spent living in a London commune cemented his place in the British music scene. As a result, Virgin, a mail-order company that provided support for his magazine, was established. Branson then used the company's proceeds to start a record store on Oxford Street in London and funding his publication.

Mike Oldfield was the first artist signed to Virgin Records in 1973. "Tubular Bells," an album by Oldfield, led the UK charts for 247 weeks. The phenomenal popularity of Virgin Records' very first artist demonstrates Branson's eye for spotting talent. More album deals with now-iconic musicians like The Rolling Stones, Sex Pistols, and Culture Club resulted from this popularity. Virgin Records became one of the major record labels in the world as a result of these artists.

## Hits and Misses

Virgin Records, on the other hand, could only maintain its success for so long. By 1992, the company's financial woes had accumulated to the point that it was struggling to remain intact. Branson had to sell it to THORN EMI for \$1 billion the following year. However, before this setback, Branson founded two travel companies: the Voyager Group and Virgin Atlantic. His first store on Oxford Street grew to become a chain of Virgin megastores.

It wasn't easy for Branson to sell Virgin Records; it was an emotional ordeal for him. He did not let the failure deter him from achieving other goals in the music industry. Richard established Virgin Radio the same year as the sale. He founded V2, his second record

label, three years later, and signed artists such as Tom Jones and Powder Finger.

Branson's other market mistakes include Virgin Cola, Virgin Cosmetics, and Virgin Brides, in addition to having to sell Virgin Records. Virgin Cola is the most busted flush, with just 0.5 percent of the United States' market share. In 2012, the firm was forced to cease selling the beverage. Virgin Cosmetics offered a wide variety of items, including homeware, clothing, and cosmetics. The cosmetics are available for purchase both online and in Virgin stores. Virgin Brides was a short-lived business that opened in many locations across England in 1996. In 2007, the last store closed.

Each  
of these  
businesses may have  
seen failure, but they reflect  
Branson's unstoppable spirit of  
achievement. He never went  
into his shell; instead,  
he learned

## **From Music to Media, Finance, Outer Space, and Everything in-between.**

In 1984, Branson expanded his company by launching an airline, Virgin Atlantic. When he rented his first 747 to fly from New York to Gatwick, Virgin Atlantic competed against British Airways. Virgin Media, Virgin Money, and even Virgin Trains are among his other significant businesses. Many of his companies are part of the Virgin Group, which

has over 200 businesses in countries like Canada, Australia, the United States, and parts of Asia, Europe, and South Africa.

Branson has progressed well beyond merely starting a company to finance another. He built his new firms without sacrificing the Virgin Group's reserve, and he earned more for companies that kept the Virgin brand. Simultaneously, he expands his business into other areas, such as cell telecom.

## **The Philanthropist in Him**

Branson's incredible quest isn't just about making wealth; it's also about giving it away. Branson is a firm believer in contributing back to the community. He created his first charity when he was just 17 years old. Branson has donated to educational charities in African countries regularly. Besides, he

has promised \$3 billion over the next ten years to fix the raging problem of global warming.

Also, he has promised \$3 billion over the next ten years to fix the raging problem of global warming.

## **Richard Branson: An epitome of perseverance.**

Branson's tale will serve as a reminder that hard work, learning from errors, self-discovery, and perseverance contribute to tremendous achievement and development for individuals and society. His spirit also reveals how previous failures are just another incentive to step on and accomplish new goals.



# Thesaurus

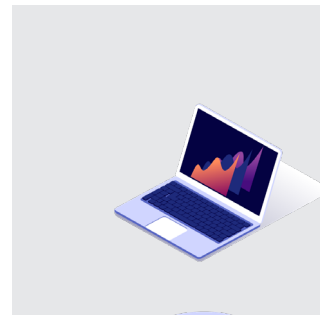
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## Contribution margin

When you make a product or deliver a service and deduct the variable cost of delivering that product, the leftover revenue is the contribution margin. The formula for contribution margin is Selling price minus Variable cost.



## Estate

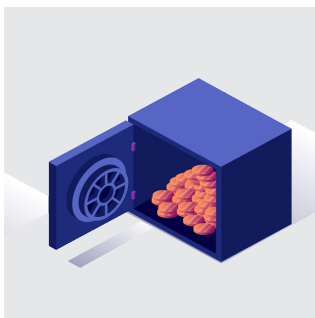
An estate is everything comprising an individual's net worth, including all land and real estate, possessions, financial securities, cash, and other assets that the individual owns or has a controlling interest in.



## Foreclosure

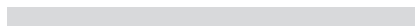
The legal process by which a lender attempts to recover the amount owed on a defaulted loan by taking ownership of and selling the mortgaged property. The default is triggered when a borrower misses a monthly payment or fails to meet other TC.





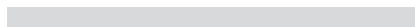
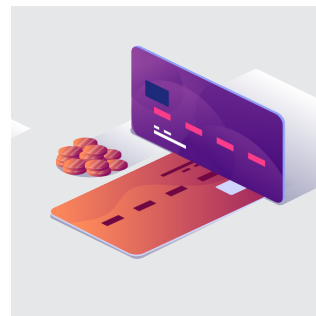
## Hedging

A hedge is an investment that protects your finances from a risky situation. Hedging is done to minimize or offset the chance that your assets will lose value. It also limits your loss to a known amount if the asset does lose value.



## ESOP

An employee stock ownership plan is an employee benefit plan that gives workers ownership interest. ESOPs provide the sponsoring company, the selling shareholder, and participants receive various tax benefits, making them qualified plans.



# Life Story of M.A Yousuf Ali

COMING SOON...



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