

# **ENVIRONMENT SOCIETY OF OMAN**

## **FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009**

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# ENVIRONMENT SOCIETY OF OMAN

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

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## **Independent auditor's report to the members of Environment Society of Oman**

### **Report on the financial statements**

We have audited the financial statements of **Environment Society of Oman** (the Society) which comprise the balance sheet as at 31 December 2009 and the statements of income and expenditure, changes in members funds and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at 31 December 2009 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

12 June 2013  
Muscat, Sultanate of Oman

# ENVIRONMENT SOCIETY OF OMAN

## STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	2009 RO	2008 RO
<b>Income</b>			
Donations and sponsorship		213,917	275,772
Membership fees		7,520	15,105
Miscellaneous sales		<u>159</u>	<u>1,723</u>
<b>Total income</b>		<b><u>221,596</u></b>	<b><u>292,600</u></b>
<b>Expenditure</b>			
Cost of miscellaneous sales		77	1,650
Project expenses		95,919	123,488
Administrative expenses	4	66,362	56,879
Depreciation	5	<u>7,732</u>	<u>5,916</u>
		<b><u>170,090</u></b>	<b><u>187,933</u></b>
<b>Surplus for the year</b>		<b><u>51,506</u></b>	<b><u>104,667</u></b>

The notes on pages 6 to 10 form an integral part of these financial statements.

Report of the Auditors - page 1.

# ENVIRONMENT SOCIETY OF OMAN

## BALANCE SHEET AT 31 DECEMBER 2009

	Note	2009 RO	2008 RO
<b>ASSETS</b>			
<b>Non-current assets</b>			
Furniture and equipment	5	<u>16,655</u>	<u>8,322</u>
<b>Current assets</b>			
Stock	6	3,653	1,769
Sundry debtors and advances		1,426	1,060
Bank and cash balance	7	<u>192,209</u>	<u>144,982</u>
<b>Total current assets</b>		<u>197,288</u>	<u>147,811</u>
<b>Total assets</b>		<u>213,943</u>	<u>156,133</u>
<b>MEMBERS FUNDS</b>			
		<u>197,572</u>	<u>146,066</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
End of service benefits	8	<u>3,883</u>	—
<b>Current liabilities</b>			
Accruals and other payables	9	<u>12,488</u>	<u>10,067</u>
<b>Total liabilities</b>		<u>16,371</u>	<u>10,067</u>
<b>Total Members funds and liabilities</b>		<u>213,943</u>	<u>156,133</u>

The financial statements on pages 2 to 10 were approved by the members on 11 April 2012 and were signed on their behalf by:

  
Tania Al Said  
President

  
Yasser Macki  
Treasurer

  
Lamees Daar  
Executive Director



**ENVIRONMENT SOCIETY OF OMAN****STATEMENT OF CHANGES IN MEMBERS FUNDS  
FOR THE YEAR ENDED 31 DECEMBER 2009**

	<b>2009 RO</b>	<b>2008 RO</b>
<b>At 1 January</b>	<b>146,066</b>	<b>41,399</b>
Surplus for the year	<u><b>51,506</b></u>	<u><b>104,667</b></u>
<b>At 31 December</b>	<u><b>197,572</b></u>	<u><b>146,066</b></u>

The notes on pages 6 to 10 form an integral part of these financial statements.

Report of the Auditors - page 1.



# ENVIRONMENT SOCIETY OF OMAN

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2009

	2009 RO	2008 RO
<b>Operating activities</b>		
Surplus for the year	51,506	104,667
<b>Adjustments for:</b>		
Depreciation	7,732	5,916
End of service benefits expense	3,883	-
Gain on disposals of furniture and equipment	<u>-</u>	<u>(133)</u>
<b>Operating surplus before working capital changes</b>	<b>63,121</b>	<b>110,450</b>
<b>Working capital changes:</b>		
(Increase)/decrease in stock	(1,884)	337
(Increase) in sundry debtors and advances	(366)	(794)
Increase in accruals and other payables	<u>2,421</u>	<u>8,612</u>
<b>Net cash generated from operating activities</b>	<b><u>63,292</u></b>	<b><u>118,605</u></b>
<b>Investing activities</b>		
Purchase of furniture and equipment	(16,065)	(5,500)
Proceeds from disposal of furniture and equipment	<u>-</u>	<u>2,800</u>
<b>Net cash used in investing activities</b>	<b><u>(16,065)</u></b>	<b><u>(2,700)</u></b>
<b>Net increase in cash and cash equivalents</b>	<b>47,227</b>	<b>115,905</b>
Cash and cash equivalents at beginning of the year	<u>144,982</u>	<u>29,077</u>
<b>Cash and cash equivalents at the end of the year</b>	<b><u>192,209</u></b>	<b><u>144,982</u></b>

The notes on pages 6 to 10 form an integral part of these financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2009****1 Legal status and principal activities**

The Environment Society of Oman (the Society) is a non profit making organisation established in the Sultanate of Oman on 24 March 2004, in accordance with Ministerial decision 42/2004 from the Ministry of Social Development.

The Society is engaged in environmental maintenance and development of related knowledge in Sultanate of Oman and is managed by the Board of Directors of the Society.

**2 Summary of significant accounting policies**

The principal accounting policies are summarised below. These policies have been consistently applied to each of the years presented, unless otherwise stated.

**2.1 Basis of preparation**

(a) The financial statements are prepared on the historical cost basis as disclosed in the accounting polices below, and in accordance with International Financial Reporting Standards (IFRS).

(b) The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in the respective accounting policies.

(c) Standards and amendments effective in 2009 and relevant for the Society's operations:

For the year ended 31 December 2009, the Society has adopted all of the new and revised standards and interpretations issued by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for periods beginning on 1 January 2009.

The adoption of these standards and interpretations has not resulted in changes to the Society's accounting policies and has not affected the amounts reported for the current period.

**2.2 Income**

Income consists of membership fees, donations, sponsorships, and income from sale of merchandise. Income is recognised in the period in which it is received.

**2.3 Functional and presentation currency**

Items included in the financial statements of the Society are measured using the currency of primary economic environment in which the Society operates ('the functional currency'). The financial statements are presented in Rials Omani, which is the Society's functional and presentation currency. The Society has no foreign currency transactions or foreign currency assets and liabilities.

**2.4 Income tax**

The Society is not subject to Omani Income tax nor required to file Oman tax returns.



## ENVIRONMENT SOCIETY OF OMAN

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 (continued)

#### 2 Summary of significant accounting policies (continued)

##### 2.5 Furniture and equipment

Furniture and equipment are stated at cost less accumulated depreciation. The cost of furniture and equipment is their purchase price together with any incidental expenses. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Society and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the statement of income and expenditure during the financial year in which they are incurred.

The cost of furniture is written down to residual value in equal instalments over the estimated useful lives of the assets. The estimated useful lives are:

Furniture, fixtures and equipment	25%
Office equipment	25%
Turtle project equipment	25%
Vehicles	33.33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Where the carrying amount of an asset is greater than its estimated recoverable amount it is written down immediately to its recoverable amount.

Gains and losses on disposals of furniture and equipment are determined by reference to their carrying amounts and are taken into account in determining operating surplus.

##### 2.6 Stock

Stock is stated at the lower of cost and net realisable value. Cost is determined on the weighted average cost method and includes expenditure incurred in acquiring the stock and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business less selling expenses. Provision is made where necessary for slow moving stock, damaged and obsolete items.

##### 2.7 Sundry debtors and advances

Sundry debtors and advances are recognised initially at fair value, less provision for impairment. A provision for impairment is established when there is objective evidence that the Society will not be able to collect all amounts due according to the original terms.

##### 2.8 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and all bank balances with a maturity of three months or less from date of placement.

##### 2.9 End of service benefits

End of service benefits are accrued in accordance with the terms of employment of the society's employees at the balance sheet date, having regard to the requirements of the Oman Labour Law 2003, as amended. These accruals relating to end of service benefits is disclosed as a non-current liability.

# ENVIRONMENT SOCIETY OF OMAN

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 (continued)

### 2 Summary of significant accounting policies (continued)

#### 2.10 Accruals and other payables

Accruals and other liabilities are recognised for amounts to be paid for goods and services received, whether or not billed to the Society.

### 3 Financial risk management

The Society's activities, does not expose it to a significant variety of financial risks and except for exposures with banks. Management's policy is to deal only with reputed banks and financial institutions. Management does not expect any losses from non-performance by these counterparties.

In accordance with prudent liquidity risk management, the members aim to maintain sufficient cash to settle liabilities. The Society's financial liabilities consisting of (accruals and other payables) are the contractual undiscounted cash flows which are due within twelve months from the balance sheet date.

### 4 Administrative expenses

	2009 RO	2008 RO
Salaries and wages	31,048	22,044
Exhibitions, conferences and seminars	11,419	11,890
Rent	8,430	7,955
Advertisement	4,669	4,107
Legal consultant costs	2,409	-
Telephone and internet	885	232
Vehicle insurance and registration	866	270
Travel	640	782
Electricity and water	363	765
Printing and stationery	297	4,503
Transportation	258	1,068
Other	<u>5,078</u>	<u>3,263</u>
	<u>66,362</u>	<u>56,879</u>

### 5 Furniture and equipment

	Furniture, fixtures and equipment RO	Office equipment RO	Vehicle RO	Turtle Project RO	Total RO
<b>Cost</b>					
1 January 2009	5,483	3,015	4,376	10,298	23,172
Additions	<u>1,549</u>	-	<u>11,299</u>	<u>3,217</u>	<u>16,065</u>
31 December 2009	<u>7,032</u>	<u>3,015</u>	<u>15,675</u>	<u>13,515</u>	<u>39,237</u>
<b>Depreciation</b>					
1 January 2009	4,363	2,472	292	7,723	14,850
Charge for the year	<u>1,564</u>	<u>543</u>	<u>3,930</u>	<u>1,695</u>	<u>7,732</u>
31 December 2009	<u>5,927</u>	<u>3,015</u>	<u>4,222</u>	<u>9,418</u>	<u>22,582</u>
<b>Net book amount</b>					
31 December 2009	<u>1,105</u>	<u>-</u>	<u>11,453</u>	<u>4,097</u>	<u>16,655</u>

# ENVIRONMENT SOCIETY OF OMAN

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 (continued)

### 5 Furniture and equipment (continued)

	Furniture, fixtures and equipment RO	Office equipment RO	Vehicle RO	Turtle Project RO	Total RO
Cost					
1 January 2008	4,359	3,015	4,000	10,298	21,672
Additions	1,124	-	4,376	-	5,500
Disposals	-	-	(4,000)	-	(4,000)
31 December 2008	<u>5,483</u>	<u>3,015</u>	<u>4,376</u>	<u>10,298</u>	<u>23,172</u>
Depreciation					
1 January 2008	2,601	1,718	800	5,148	10,267
Charge for the year	1,762	754	825	2,575	5,916
Disposals	-	-	(1,333)	-	(1,333)
31 December 2008	<u>4,363</u>	<u>2,472</u>	<u>292</u>	<u>7,723</u>	<u>14,850</u>
Net book amount					
31 December 2008	<u>1,120</u>	<u>543</u>	<u>4,084</u>	<u>2,575</u>	<u>8,322</u>

### 6 Stock

	2009 RO	2008 RO
Books and promotional items	<u>3,653</u>	<u>1,769</u>

Stock comprises books and other promotional items that may be sold or given away at events to promote the Society's objectives.

### 7 Bank and cash balance

	2009 RO	2008 RO
Cash at bank	192,209	144,940
Cash in hand	-	42
	<u>192,209</u>	<u>144,982</u>

### 8 End of service benefits

	2009 RO	2008 RO
Charge for the year	<u>3,883</u>	-

### 9 Accruals and other payables

	2009 RO	2008 RO
Accrued expenses	<u>12,488</u>	<u>10,067</u>

**ENVIRONMENT SOCIETY OF OMAN****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2009 (continued)****10 Related parties**

The Society does not have any significant related parties other than its members and senior management. No remuneration is paid to members. Key management salaries and benefits amounted to RO 12,000 (2008 - RO 12,000).

Report of the Auditors - page 1.