

**ENVIRONMENT SOCIETY OF OMAN**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2019**

**Registered address:**

P O Box 3955, PC 112  
Ruwi  
Sultanate of Oman

**ENVIRONMENT SOCIETY OF OMAN**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENVIRONMENT SOCIETY OF OMAN**

### **Opinion**

We have audited the financial statements of Environment Society of Oman ('the Society'), which comprise the statement of financial position as at 31 December 2019, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the '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 Sultanate of Oman, 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 opinion.

### **Responsibilities of management for the financial statements**

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

In preparing the financial statements, management is responsible for assessing the 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 management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Board of Directors is responsible for overseeing the Society's financial reporting process.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENVIRONMENT SOCIETY OF OMAN (continued)**

### **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 judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
ENVIRONMENT SOCIETY OF OMAN (continued)**

**Auditor's responsibilities for the audit of the financial statements (continued)**

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management 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.

**CROWE MAK GAZALI LLC**

**Davis Kallukaran**  
**Managing Partner**

Muscat, Sultanate of Oman  
29 March 2020



**ENVIRONMENT SOCIETY OF OMAN**

**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019**

|                                    | <u>Note</u> | <u>2019</u><br><u>RO</u> | <u>2018</u><br><u>RO</u> |
|------------------------------------|-------------|--------------------------|--------------------------|
| <b>ASSETS</b>                      |             |                          |                          |
| <b>Non-current assets</b>          |             |                          |                          |
| Furniture and equipment            | 4           | 8,313                    | 6,287                    |
| <b>Current assets</b>              |             |                          |                          |
| Receivables and prepayments        | 5           | 18,279                   | 12,256                   |
| Cash and bank balances             | 6           | 212,571                  | 216,907                  |
|                                    |             | <u>230,850</u>           | <u>229,163</u>           |
| <b>Total assets</b>                |             | <u>239,163</u>           | <u>235,450</u>           |
| <b>LIABILITIES</b>                 |             |                          |                          |
| <b>Non-current liabilities</b>     |             |                          |                          |
| Employees' end of service benefits | 7           | 15,541                   | 13,554                   |
| <b>Current liabilities</b>         |             |                          |                          |
| Payables and accruals              | 8           | 10,363                   | 5,621                    |
| Deferred revenue                   |             | 116,248                  | 89,123                   |
|                                    |             | <u>126,611</u>           | <u>94,744</u>            |
| <b>Total liabilities</b>           |             | <u>142,152</u>           | <u>108,298</u>           |
| <b>Net assets</b>                  |             | <u>97,011</u>            | <u>127,152</u>           |
| <b>REPRESENTED BY</b>              |             |                          |                          |
| Members' funds                     |             | <u>97,011</u>            | <u>127,152</u>           |

These financial statements were approved by the Board of Directors on 29-03-2020 and signed on their behalf by:

HH Sayyida Tania Al Said  
President



Osamah Abdulatif  
Treasurer

Ammar Habib Mohamed  
Secretary

The notes on pages 8 to 15 form part of these financial statements.

Auditor's report: pages 1-3

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## ENVIRONMENT SOCIETY OF OMAN

### STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2019

|                             | <u>Note</u> | <u>2019</u><br><u>RO</u> | <u>2018</u><br><u>RO</u> |
|-----------------------------|-------------|--------------------------|--------------------------|
| <b>Income</b>               |             |                          |                          |
| Donations and sponsorship   |             | 246,134                  | 224,492                  |
| Membership fees             |             | 20,299                   | 20,421                   |
|                             |             | <u>266,433</u>           | <u>244,913</u>           |
| <b>Expenditure</b>          |             |                          |                          |
| Project expenses            |             | 90,571                   | 65,168                   |
| Salaries and wages          | 9           | 162,081                  | 183,884                  |
| Administrative expenses     | 10          | 38,341                   | 22,629                   |
| Depreciation                | 4           | 5,581                    | 5,974                    |
|                             |             | <u>296,574</u>           | <u>277,655</u>           |
| <b>Deficit for the year</b> |             | <u>(30,141)</u>          | <u>(32,742)</u>          |

The notes on pages 8 to 15 form part of these financial statements.

Auditor's report: pages 1-3

**ENVIRONMENT SOCIETY OF OMAN**

**STATEMENT OF CHANGES IN MEMBERS' FUNDS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

|                       | <u>2019</u>          | <u>2018</u>           |
|-----------------------|----------------------|-----------------------|
|                       | <u>RO</u>            | <u>RO</u>             |
| <b>At 1 January</b>   | <b>127,152</b>       | 159,894               |
| Deficit for the year  | <u>(30,141)</u>      | <u>(32,742)</u>       |
| <b>At 31 December</b> | <u><u>97,011</u></u> | <u><u>127,152</u></u> |

The notes on pages 8 to 15 form part of these financial statements.

Auditor's report: pages 1-3



**ENVIRONMENT SOCIETY OF OMAN**

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2019

|   | <u>Note</u> | <u>2019</u><br><u>RO</u> | <u>2018</u><br><u>RO</u> |
|---|-------------|--------------------------|--------------------------|
| <b>Cash flows from operating activities</b>             |             |                          |                          |
| Deficit for the year                                    |             | (30,141)                 | (32,742)                 |
| <i>Adjustments for:</i>                                 |             |                          |                          |
| Depreciation  | 4           | 5,581                    | 5,974                    |
| Loss on sale of fixed assets                            |             | 424                      |                          |
| Accrual of employee's end of service benefits           | 7           | 2,262                    | 2,794                    |
| Increase in receivables and prepayments                 |             | (6,023)                  | (2,300)                  |
| Increase in payables and deferred revenue               |             | 31,867                   | 45,018                   |
| Cash generated from operations                          |             | <u>3,970</u>             | 18,744                   |
| Employees' end of service benefits paid                 |             | (275)                    | -                        |
| <b>Net cash from operating activities</b>               |             | <u>3,695</u>             | 18,744                   |
| <b>Cash flows from investing activities</b>             |             |                          |                          |
| Purchase of furniture and equipment                     | 4           | (8,151)                  | -                        |
| Proceeds from sale of fixed assets                      |             | 120                      |                          |
| <b>Net cash used in investing activities</b>            |             | <u>(8,031)</u>           | -                        |
| <b>Net change in cash and cash equivalents</b>          |             | (4,336)                  | 18,744                   |
| Cash and cash equivalents at the beginning of the year  |             | <u>216,907</u>           | 198,163                  |
| <b>Cash and cash equivalents at the end of the year</b> | 6           | <u>212,571</u>           | <u>216,907</u>           |

The notes on pages 8 to 15 form part of these financial statements.

Auditor's report: pages 1-3

## **ENVIRONMENT SOCIETY OF OMAN**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

#### **1 Legal status and 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's registered office is in Ruwi, P.O. Box 3955, PC 112.

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

#### **2 Basis of preparation and adoption of new and amended IFRS**

The principal accounting policies applied in the preparation of the financial statements are set out below. These accounting policies have been consistently applied by the Society to all the years presented, unless otherwise stated.

##### **Statement of compliance**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) to the extent applicable.

##### **Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified to include the fair value of certain financial assets and liabilities.

##### **Functional and presentation currency**

The financial statements have been prepared in Rial Omani ("RO"), which is the functional and presentation currency of the Society. The Society has no foreign currency transactions or foreign currency assets and liabilities.

## ENVIRONMENT SOCIETY OF OMAN

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)

#### 2 Basis of preparation and adoption of new and amended IFRS (continued)

##### Adoption of new IFRS

The financial statements have been prepared based on accounting standards effective for the accounting periods beginning on or after 1 January 2019. The Society has adopted the following standards for the first time for the annual reporting period beginning from 1 January 2019:

IFRS 16: Leases

##### a) *Overview*

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 determining whether an arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principle for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases on the statement of financial position. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets when such recognition exemptions are adopted.

##### b) *Impact*

The Society as a lessee, duly assessed the requirements of adopting IFRS 16 and opted to recognise a lease expense on a straight-line basis for short-term leases (lease term of 12 months or less) and leases of low-value assets as permitted by IFRS 16. This expense is presented within 'administrative expenses' in the statement of comprehensive income.

##### **Other standards, amendments and interpretations to existing IFRS effective 1 January 2019**

The Company has adopted all other standards and amendments for the first time for the annual reporting period beginning from 1 January 2019, while has accounted for and disclosed only the relevant and applicable standards and amendments:

- Amendments to IFRS 9: 'Financial instruments' – Prepayment features with negative compensation;
- Amendments to IAS 28: 'Investments in Associates and Joint Ventures' – Long-term Interests in Associates and Joint Ventures;
- Annual Improvements to IFRSs published in December 2017 (2015-2017 cycle);
- Amendments to IAS 19: 'Employee benefits plan'- Amendment, Curtailment or Settlement;
- IFRIC 23, 'Uncertainty over Income Tax Treatments'.

Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements

## ENVIRONMENT SOCIETY OF OMAN

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)

#### 2 Basis of preparation and adoption of new and amended IFRS (continued)

##### Standards, amendments and interpretations to existing IFRS that are not yet effective

Certain new standards, amendments and interpretations to existing IFRS have been published that are not

- IFRS 17: 'Insurance Contracts';
- Amendments to IAS 28: 'Investments in Associates and Joint Ventures', and IFRS 10: 'Consolidated
- Amendments to IFRS 3: 'Business Combinations' – Definition of a business;
- Amendments to IAS 1: 'Presentation of Financial Statements' and IAS 8: 'Accounting Policies, Changes
- Conceptual Framework, Amendments to references to the Conceptual Framework in IFRS Standards.

Management believes that adoption of the above new standards and amendments is not likely to have any material impact on the presentation and disclosure of items in the financial statements for future periods.

#### 3 Summary of significant accounting policies

##### Income

Income consists of membership fees, donations and sponsorships. Income is recognised in the year in which it is received, except sponsorship fees which is recognised as and when the expenses against projects are incurred. Income related to sponsorship fees is deferred to subsequent period if the expenses are not incurred in the current accounting period.

##### Furniture and equipment

Items of 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 necessary to bring the asset to its intended condition and location. 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 items of furniture and equipment is written down to residual value in equal instalments over the estimated useful lives of the assets. The estimated useful lives are:

|                                   | Years |
|-----------------------------------|-------|
| Furniture, fixtures and equipment | 4     |
| Office equipment                  | 4     |
| Motor vehicles                    | 3     |
| Turtle project equipment          | 4     |
| Salalah office furniture          | 4     |

## **ENVIRONMENT SOCIETY OF OMAN**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)**

#### **3 Summary of significant accounting policies (continued)**

##### **Furniture and equipment (continued)**

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate.

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

Gain and loss on disposal of items of furniture and equipment are determined by reference to their carrying amounts and are taken into account in determining operating surplus for the year.

##### **Receivables**

Receivables are recognised initially at fair value, less provision for impairment. A provision for impairment is established based on the requirements of IFRS 9.

##### **Cash and cash equivalents**

For the purpose of the statement of cash flows, the Society considers all bank balances, including short-term deposits, with a maturity of three months or less from the date of placement, to be cash equivalents.

##### **Payables and accruals**

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

##### **Employees' end of service benefits**

Contributions to a defined contribution retirement plan for Omani employees in accordance with the Oman Social Insurance Scheme, are recognized as an expense in the statement of comprehensive income as incurred.

Provision for non-Omani employee end of service benefits, which is an unfunded defined benefit retirement plan, is made in accordance with Oman Labour Law and is based on the liability that would arise if the employment of all employees were terminated at the end of the reporting period.

##### **Income tax**

The Society is neither subject to Omani income tax nor required to file income tax returns.

## ENVIRONMENT SOCIETY OF OMAN

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)

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

##### **Impairment**

###### *Non-financial assets*

At the end of each reporting period, the Society reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

The loss arising on an impairment of an asset is determined as the difference between the recoverable amount and carrying amount of the asset and is recognised immediately in the statement of income and expenditure.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the reversed estimate of its recoverable amount and the increase is recognized as income immediately, provided that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized earlier.

###### *Financial assets*

The Society applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all accounts receivables. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors effecting the ability of the customers to settle the receivables. When accounts or other receivables is uncollectible, it is written off against the allowance account for impairment loss.

##### **Estimates and judgments**

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income and expenses, assets, liabilities and related disclosures. The use of available information and application of judgment based on historical experience and other factors are inherent in the formation of estimates. Actual results in future could differ from such estimates.

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 and in any future periods affected. In particular estimates that involves uncertainties and judgments which have significant effect on the financial statement include useful lives and residual value of furniture and equipment.

**ENVIRONMENT SOCIETY OF OMAN**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)**

**4 Furniture and equipment**

|  | <u>Furniture,<br/>fixtures<br/>and<br/>equipment</u><br><u>RO</u> | <u>Office<br/>equipment</u><br><u>RO</u> | <u>Motor<br/>vehicles</u><br><u>RO</u> | <u>Salalah<br/>office<br/>furniture</u><br><u>RO</u> | <u>Turtle<br/>project<br/>equipment</u><br><u>RO</u> | <u>Total</u><br><u>RO</u> |
|--|---|--|--|--|--|---------------------------|
| <b>Cost</b>                                  |   |  |  |  |  |                           |
| At 1 January 2018 and<br>At 31 December 2018 | 11,981  | 19,845                                   | 21,061                                 | 3,357  | 52,532   | 108,776                   |
| <b>At 1 January 2019</b>                     | <b>11,981</b>   | <b>19,845</b>                            | <b>21,061</b>                          | <b>3,357</b>   | <b>52,532</b>  | <b>108,776</b>            |
| Additions                                    | 5,782   | 2,369                                    | -                                      | -  | -  | 8,151                     |
| Disposals                                    | (900)   | -  | -                                      | -  | -  | (900)                     |
| <b>At 31 December 2019</b>                   | <b>16,863</b>   | <b>22,214</b>                            | <b>21,061</b>                          | <b>3,357</b>   | <b>52,532</b>  | <b>116,027</b>            |
| <b>Depreciation</b>                          |   |  |  |  |  |                           |
| At 1 January 2018                            | 11,204  | 15,115                                   | 18,062                                 | 2,098  | 50,036   | 96,515                    |
| Charge for the year                          | 225   | 1,909                                    | 1,795                                  | 839  | 1,206  | 5,974                     |
| At 31 December 2018                          | 11,429  | 17,024                                   | 19,857                                 | 2,937  | 51,242   | 102,489                   |
| <b>At 1 January 2019</b>                     | <b>11,429</b>   | <b>17,024</b>                            | <b>19,857</b>                          | <b>2,937</b>   | <b>51,242</b>  | <b>102,489</b>            |
| Charge for year                              | 586   | 2,167                                    | 1,203                                  | 419  | 1,206  | 5,581                     |
| Relating to disposals                        | (356)   | -  | -                                      | -  | -  | (356)                     |
| <b>At 1 December 2019</b>                    | <b>11,659</b>   | <b>19,191</b>                            | <b>21,060</b>                          | <b>3,356</b>   | <b>52,448</b>  | <b>107,714</b>            |
| <b>Net book value</b>                        |   |  |  |  |  |                           |
| <b>At 31 December 2019</b>                   | <b>5,204</b>  | <b>3,023</b>                             | <b>1</b>                               | <b>1</b>   | <b>84</b>  | <b>8,313</b>              |
| At 31 December 2018                          | 552   | 2,821                                    | 1,204                                  | 420  | 1,290  | 6,287                     |

**ENVIRONMENT SOCIETY OF OMAN**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)

**5 Receivables and prepayments**

|                          | <u>2019</u>   | <u>2018</u>   |
|--------------------------|---------------|---------------|
|                          | <u>RO</u>     | <u>RO</u>     |
| Project advances         | 1,000         | 881           |
| Deposits and prepayments | 3,269         | 3,526         |
| Staff advance            | 14,010        | 7,849         |
|                          | <u>18,279</u> | <u>12,256</u> |

**6 Cash and bank balances**

|              | <u>2019</u>    | <u>2018</u>    |
|--------------|----------------|----------------|
|              | <u>RO</u>      | <u>RO</u>      |
| Cash in hand | 681            | 171            |
| Cash at bank | 211,890        | 216,736        |
|              | <u>212,571</u> | <u>216,907</u> |

**7 Employees' end of service benefits**

|  | <u>2019</u>   | <u>2018</u>   |
|--|---------------|---------------|
|  | <u>RO</u>     | <u>RO</u>     |
| Movement in employees end of service benefits: |               |               |
| At 1 January                                   | 13,554        | 10,760        |
| Recognized during the year                     | 2,262         | 2,794         |
| Paid during the year                           | (275)         |               |
| At 31 December                                 | <u>15,541</u> | <u>13,554</u> |

**8 Payables and accruals**

|                  | <u>2019</u>   | <u>2018</u>  |
|------------------|---------------|--------------|
|                  | <u>RO</u>     | <u>RO</u>    |
| Accounts payable | 9,279         | 3,465        |
| Accrued expenses | 1,084         | 2,156        |
|                  | <u>10,363</u> | <u>5,621</u> |

**9 Salaries and wages**

|                         | <u>2019</u>    | <u>2018</u>    |
|-------------------------|----------------|----------------|
|                         | <u>RO</u>      | <u>RO</u>      |
| Salaries and allowances | 147,729        | 165,381        |
| Social insurance        | 11,982         | 15,410         |
| End of service benefits | 2,262          | 2,794          |
| Others                  | 108            | 299            |
|                         | <u>162,081</u> | <u>183,884</u> |



## ENVIRONMENT SOCIETY OF OMAN

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)

#### 10 Administrative expenses

|                                    | <u>2019</u>   | <u>2018</u>   |
|------------------------------------|---------------|---------------|
|                                    | <u>RO</u>     | <u>RO</u>     |
| Rent                               | 15,510        | 2,340         |
| Repairs and maintenance            | 2,648         | 2,815         |
| Telephone and internet             | 2,014         | 2,249         |
| Conference expenses                | 192           | 1,587         |
| Travelling expenses                | 6,877         | 1,859         |
| Printing and stationery            | 1,229         | 1,258         |
| Registration and renewals          | 1,433         | 2,504         |
| Electricity and water              | 594           | 738           |
| Vehicle insurance and registration | 555           | 104           |
| Loss on sale of fixed assets       | 424           | -             |
| Other sundry expenses              | 6,865         | 7,175         |
|                                    | <u>38,341</u> | <u>22,629</u> |

#### 11 Related parties

The Society does not have any related parties other than its members and senior management. No remuneration is paid to the members of the Society. There were no significant transactions with related parties during the year.

#### 12 Financial risk management

The Society's activities, do not expose it to any significant financial risks, except for exposures with banks. Management's policy is to deal only with reputed banks and financial institutions, with a minimum rating of P-1. 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 accounts and other payables are the contractual undiscounted cash flows which are due within twelve months from the end of the reporting period.

The notes on pages 8 to 15 form part of these financial statements.

Auditor's report: pages 1-3