Environment Society of Oman

FINANCIAL STATEMENTS

31 DECEMBER 2022

Building a better working world

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C.R No. 1224013
PR No. HMH/15/2015; HMA/9/2015

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

Report on the audit of the financial statements

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 2022, and the statement of comprehensive income, statement of changes in Fund account 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 2022 and its financial performance and 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 International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the Sultanate of Oman, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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.

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.

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

Report on the audit of the financial statements (continued)

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 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.
- 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.

Ernst & Young LLC

4 May 2023
Muscat

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س.ت: ١٢٢٤٠١٣
ص.ب: ١٧٥٠ روي - ١١٢ ، سلطنة عمان
ERNST & YOUNG LLC
C.R. No. 1224013
P.O. Box 1750 - P.C. 112 Sultanate of Oman

Environment Society of Oman

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2022

	Notes	**2022 RO**	2021 RO
INCOME			
Donation and sponsorship		**313,210**	185,850
Membership fees		**19,175**	8,814
Other Income		**702**	-
		333,087	194,664
EXPENSES			
Project expenses	3	**178,959**	64,230
Depreciation	6	**6,358**	2,076
Administrative Expenses	4	**146,816**	158,768
		332,133	225,074
Surplus / (Deficit) for the year		**954**	(30,410)

The attached notes 1 to 14 form part of these financial statements.

Environment Society of Oman

STATEMENT OF FINANCIAL POSITION

For the year ended 31 December 2022

	Notes	***2022***	*2021*
		RO	*RO*
ASSETS			
Non-current assets			
Furniture and equipment	6	**23,408**	3,160
		23,408	3,160
Current assets			
Account receivables and prepayments	7	**61,674**	16,079
Cash and Bank balances	5	**95,627**	211,351
		157,301	227,430
TOTAL ASSETS		**180,709**	230,590
Fund Account			
Accumulated fund		**90,606**	89,652
		90,606	89,652
Non-current liabilities			
Employees' end of service benefits	8	**25,058**	19,385
		25,058	19,385
Current liabilities			
Account payables and accruals		**2,476**	2,729
Deferred Revenue	9	**62,569**	118,824
		65,045	121,553
Total liabilities		**90,103**	140,938
TOTAL FUND ACCOUNT AND LIABILITIES		**180,709**	230,590

The financial statements were approved by the Board of Directors on 4 April 2023 and signed on their behalf by:

Amor Al Matani	Omar Al Riyami	Amira Al Yarubi
President	Vice President	Treasurer

The attached notes 1 to 14 form part of these financial statements.

STATEMENT OF CASH FLOW
Year ended 31 December 2022

	Notes	**2022** *RO*	*2,021* *RO*
OPERATING ACTIVITIES			
Surplus / (Deficit) for the year		**954**	(30,410)
Adjustments for:			
Depreciation		**6,358**	2,076
Working capital changes:			
Accounts receivables and prepayments		**(45,595)**	(3,366)
Accounts payables and accruals		**(253)**	(2,779)
Deferred revenue		**(56,255)**	(739)
Accruals of employees' end of service benefits		**5,673**	3,687
Cash (used in) from operations		**(89,118)**	(31,531)
Employees' end of service benefits paid	8	**-**	(2,586)
Net cash flows (used in) from operating activities		**(89,118)**	(34,117)
INVESTIING ACTIVITIES			
Purchase of fixed assets		**(26,606)**	-
Net cash flows used in operating activities		**(26,606)**	-
(DECREASE)/ INCREASE IN CASH & CASH EQUIVALENTS		**(115,724)**	(34,117)
Cash and cash equivalents at the beginning of the year		**211,351**	245,468
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	7	**95,627**	211,351

The attached notes 1 to 14 form part of these financial statements.

STATEMENT OF CHANGES IN FUND ACCOUNT
For the year ended 31 December 2022

	RO
At 1 January 2021	120,062
Deficit for the year	(30,410)
Balance at 31 December 2021	89,652
Surplus for the year	954
Balance at 31 December 2022	**90,606**

The attached notes 1 to 14 form part of these financial statements.

1 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 the Sultanate of Oman and is managed by the Board of Directors of the Society .

The Society's registered place of business is located in Ruwi, P.O. Box 3955, PC112.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

The financial statements are prepared under the historical cost convention and have been presented in Rial Omani, which is the functional and reporting currency for the financial statements.

2.2 Changes in accounting policy and disclosures

The accounting policies adopted are consistent with those used in the previous year, except as follows:

New and amended standards and interpretations

For the year ended 31 December 2022, the Society has adopted below mentioned new and revised standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for periods beginning on 1 January 2022:

- Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFR 16
- Covid-19-Related Rent Concessions beyond 30 June 2022 Amendments to IFRS 16

The above standards do not have a significant impact on the financial statements of the Society. The Society has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

2.3 Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Society’s financial statements are disclosed below. The Society intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

- IFRS 17 Insurance Contracts
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current
- Reference to the Conceptual Framework – Amendments to IFRS 3
- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16
- Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37
- IFRS 9 Financial Instruments – Fees in the ’10 per cent’ test for derecognition of financial liabilities
- IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time Adopter
- IAS 41 Agriculture - Taxation on fair value measurements
- Definition of Accounting Estimates - Amendments to IAS 8
- Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Summary of significant accounting policies

The significant accounting policies adopted by the Society are as follows:

Revenue recognition

The principle activity of the Society is to have a positive influence on Oman's future development by promoting conservation and environmental awareness in all sectors of Society.

The Society has recognised revenue that consists of sponsorship agreements, membership fees and donation received. Income is recognised in the year in which it is received, except sponsorship fees which is recognised as and when the expenses against the project are incurred. Revenue relating to sponsorship fees are deferred to the subsequent period if the project expenses are not incurred in the current accounting period.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Society performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Society has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Society transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Society performs under the contract.

Current versus non-current classification

The Society presents assets and liabilities in statement of financial position based on current/non-current classification.

An asset as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Society classifies all other liabilities as non-current.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Summary of significant accounting policies (continued)

Financial assets

Initial recognition and measurement
The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Society's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Society has applied the practical expedient, the Society initially 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.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Society's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Society commits to purchase or

Subsequent Measurement
For purposes of subsequent measurement, financial assets are classified in four categories:
• Financial assets at fair value through profit or loss
• Financial assets at amortised cost (debt instruments)
• Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
• Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
This category is the most relevant to the Society. The Society measures financial assets at amortised cost if both of the following conditions are met:
• The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
• The contractual terms of The Financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on The principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in the statement of comprehensive income when the asset is derecognised, modified or impaired. The Society's financial assets at amortised cost includes trade receivables and cash and cash equivalents.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Summary of significant accounting policies (continued)

Financial assets (continued)

Subsequent Measurement (continued)

(a) Financial assets at amortised cost (debt instruments)

The Society measures debt instruments at fair value through OCI if both of the following conditions are met:

• The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and

• The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of comprehensive income and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to the statement of comprehensive income. The Society does not have any such instruments.

(b) Financial assets at fair value through OCI (equity instruments)

Upon initial recognition, the Society can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of comprehensive income. Dividends are recognised as other income in the statement of comprehensive income when the right of payment has been established, except when the Society benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment. The Society does not have any such instruments.

(c) Financial assets at fair value through profit and loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

(c) Financial assets at fair value through profit and loss (continued)

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of comprehensive income. The Society does not any such instruments.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Summary of significant accounting policies (continued)

Financial assets (continued)

Impairment of financial assets

The Society recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Society expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired or
- The Society has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Society has transferred substantially all the risks and rewards of the asset, or (b) the Society has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Society commits to purchase or sell the asset.

The Society's financial assets include trade receivables and other receivables.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Society's financial liabilities include trade and other payables.

Derecognition

A financial liability is derecognised 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Summary of significant accounting policies (continued)

Financial liabilities (continued)

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Taxes

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

Furniture and equipment

Furniture and equipment is stated at cost less accumulated depreciation and /or any accumulated impairment losses, if any.

An item of furniture and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income when the asset is derecognized.

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 assets carrying amount or recognised as the seperate asset , as appropriate , only when it is probable that future economic benefits associated with the item will flow to the soceity and the cost of the item can be measured reliably . All the other repair and maintenance costs are charged to the statement of profit and loss during the financial year which they are incured .

The cost of items of furniture and equipment is written down so residual value in equal installments over the estimated useful life of the asset . The estimated useful life are:

Motor vehicles	3 years
Furniture and fixtures	4 years
Office equipment	4 years
Salah office furniture	4 years
Turtle project equipment	4 years

Accounts and other receivables

A receivable represents the Society’s right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Trade receivables that do not contain a significant financing component or for which the Society has applied the practical expedient are measured at the transaction price determined under IFRS 15.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Summary of significant accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents comprise consist of cash in hand and bank balances.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts (if any).

Accounts payable and accruals

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Provisions

Provisions are recognised when the Society has a present obligation (legal or constructive) where, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Society expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance costs.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed to the statement of comprehensive income.

Contingencies

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

Employees’ end of service benefits

The Society provides end of service benefits to its expatriate employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

With respect to its national employees, the Society makes an unfunded defined benefit retirement plan, is made in accordance with Oman labour law and is based on the liability that would rise if the employment of all employees were terminated at the end of the reporting period.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Summary of significant accounting policies (continued)

Fair value measurements

The Society measures financial instruments such as derivatives, at fair value at each statement of financial position date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
• in the principal market for the asset or liability, or
• in the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Society.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Society uses valuation techniques that are appropriate in circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Society determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

6 FURNITURE AND EQUIPMENT

	Furniture, fixtures and equipment	***Office equipment***	***Motor vehicles***	***ESO Website - CWIP***	***Salalah office furniture***	***Turtle project equipment***	***Total***
	RO	***RO***	***RO***	***RO***	***RO***	***RO***	***RO***
Cost:							
At 1 January 2022	16,863	22,214	21,061	-	3,357	52,532	116,027
Additions	-	22,666	-	3,940	-	-	26,606
At 31 December 2022	**16,863**	**44,880**	**21,061**	**3,940**	**3,357**	**52,532**	**142,633**
Accumulated depreciation:							
At 1 January 2022	14,548	21,369	21,061	-	3,357	52,532	112,867
Charge for the year	1,446	4,912	-	-	-	-	6,358
At 31 December 2022	**15,994**	**26,281**	**21,061**	**-**	**3,357**	**52,532**	**119,225**
Net carrying amount:							
At 31 December 2022	**869**	**18,599**	**-**	**3,940**	**-**	**-**	**23,408**

	Furniture, fixtures and equipment	*Office equipment*	*Motor vehicles*	*ESO Website - CWIP*	*Salalah office furniture*	*Turtle project equipment*	*Total*
	RO	*RO*	*RO*	*RO*	*RO*	*RO*	*RO*
Cost:							
At 1 January 2021	16,863	22,214	21,061	-	3,357	52,532	116,027
At 31 December 2021	16,863	22,214	21,061	**-**	3,357	52,532	116,027
Accumulated depreciation:							
At 1 January 2021	13,105	20,739	21,060	-	3,356	52,531	110,791
Charge for the year	1,443	630	1	-	1	1	2,076
At 31 December 2021	14,548	21,369	21,061	**-**	3,357	52,532	112,867
Net carrying amount:							
At 31 December 2021	2,315	845	-	-	-	-	3,160

3 PROJECT EXPENSES

	2022 RO	2021 RO
Research cost	**152,580**	31,294
Community Outreach cost	**8,555**	21,385
Miscelleanous costs	**17,824**	11,551
	178,959	64,230

4 ADMINISTRATIVE EXPENSES

	2022 RO	2021 RO
Salaries and allowances	**100,563**	121,394
Rental expenses	**12,000**	12,000
Social insurance	**7,358**	5,212
Medical Insurance	**2,139**	2,082
Telephone and internet expenses	**4,038**	2,005
Registration & Renewals	**3,314**	1,797
Electricity and water	**935**	440
Advertisement	**-**	300
Vehicle insurance and registration	**973**	426
Printing and stationery	**146**	203
Other administrative expenses	**15,350**	12,909
	146,816	158,768

5 CASH AND BANK BALANCES

	2022 RO	2021 RO
Cash at bank	**95,627**	211,236
Cash in hand	**-**	115
	95,627	211,351

Bank balance is denominated in Omani Rial and is maintained with commercial banks in Oman amounting to RO 95,915 (2021: RO 211,351).

Bank balances are also subject to the impairment requirement of IFRS 9 and were assessed as such and the identified impairment loss was immaterial.

7 ACCOUNT RECEIVABLES AND PREPAYMENTS

	2022	*2021*
	RO	*RO*
Accrued income	**52,090**	-
Project advances and receivables	**820**	1,304
Deposits and prepayments	**2,324**	3,664
Staff advances	**5,889**	8,675
Other receivables	**551**	2,436
	61,674	16,079

As at 31 December, none of the Society's trade receivables were impaired.

Accrued income pertains to amounts receivable from a party pertaining to funding MTCA project of the society.

8 EMPLOYEES' END OF SERVICE BENEFITS

Movements in the liability recognised in the statement of financial position are as follows:

	2022	*2021*
	RO	*RO*
At 1 January	**19,385**	18,284
Accrued during the year	**5,673**	3,687
Paid during the year	**-**	(2,586)
At 31 December	**25,058**	19,385

9 DEFERRED REVENUE

Movements in the deferred revenue recognised in the statement of financial position are as follows:

	2022	*2021*
	RO	*RO*
At 1 January	**118,824**	119,563
Receipts / receivable during the year	**276,832**	193,925
Income recognised during the year	**(333,087)**	(194,664)
At 31 December	**62,569**	118,824

Deferred revenue relates to sponsorship fees deferred to subsequent period as the project expenses were not incurred during the current accounting period.

10 CONTINGENCIES AND COMMITMENTS

As of reporting date, the Society had no commitments and contingent liabilities in respect of banks, other guarantees and other matters arising in the ordinary course of business.

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. The remuneration paid to key management personnel amounts to RO Nil (2022: RO Nil).

12 RISK MANAGEMENT

Credit risk

The Society carries out contract for a reputed customer in Oman. The Society seeks to limit its credit risk by evaluating the credit worthiness of the customer and monitoring outstanding receivables.

With respect to credit risk arising from the other financial assets of the Society, including cash and cash equivalents, the Society's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Liquidity risk

The Society's terms of sales require amounts to be paid within 90 days of the date of sale.

Capital management

The Society manages its capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the years ended 31 December 2022 and 31 December 2021.

13 KEY SOURCES OF ESTIMATION UNCERTAINTIES

The preparation of financial statements in accordance with IFRS requires the Society to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. The determination of estimates require judgments which are based on historical experience, current and expected economic conditions, and all other available information. Actual results could differ from those estimates.

The most significant areas requiring the use of management estimates and assumptions in these financial statements relate to:

Useful lives of property and equipment

The Society's furniture and equipment are depreciated on a straight-line basis over their economic useful lives. The economic useful lives of property, furniture and equipment are reviewed periodically by management. The review is based on the current condition of the assets and the estimated period during which they will continue to bring economic benefit to the Society.

Going concern

The Society reviews the financial position on a periodical basis and assesses the requirement of any additional funding to meet the Working capital requirements and estimated funds required to meet the liabilities as and when they become due. in addition, the members of the Society ensure that they provide adequate financial support to fund the requirements of the Society to ensure the going concern status of the Society.

14 IMAPCT OF COVID-19 OUTBREAK

The COVID-19 outbreak has developed rapidly in 2020, with a significant number of infections. Measures taken by various governments to contain the virus have affected economic activity and the Society in various significant ways.

The implications of COVID-19 are ongoing and the ultimate outcome of this event is unknown and therefore the full impact for events and circumstances that arose after the reporting date cannot be reasonably quantified at the authorisation date of this financial statement. The effect of COVID-19 on the Society, when known, will be incorporated into the determination of the Society's estimates and assumptions that affect the reported amounts of expenses, assets and liabilities.