

Financial Statements and Independent Auditor's Report,

For Association of Early Intervention for Children with Disability,

As of 31 December 2019

Association of Early Intervention for Children with Disability

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INDEPENDENT AUDITOR'S REPORT.

To the Chairman of
Association of Early Intervention for Children with Disability
P.O. Box 81, postal code 116, Sultanate of Oman.

Report on financial statements.

We have audited the accompanying financial statements of Association of Early Intervention for Children with Disability (the Association), which comprise the statement of financial position as at 31 December 2019, the statement of income and expenditure and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Management's responsibility for the financial statements.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards and the requirements of Commercial Companies Law of 1974, "as amended" 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.

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 Financial Reporting Standards on Auditing. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

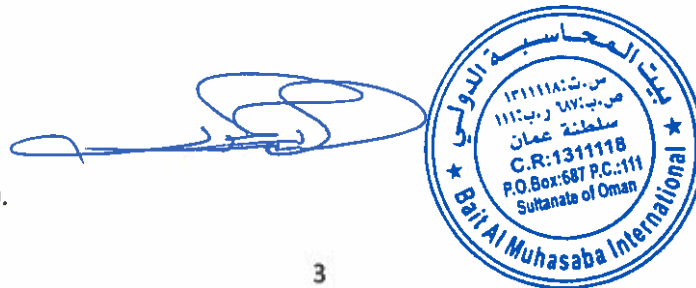
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the Auditor's judgement, including the assessment of the risk of material misstatement of financial statements, whether due to fraud or error. In making those risks assessments, the auditor considers internal controls 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 controls. 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.

As per available records produced before us and as per the best information and explanation given by the management during the course of audit, the financial statements have been prepared. We did not attend the physical verification of assets. Assets stated in these financial statements are valued and certified by the management.

In our opinion the financial statements present fairly, in all material aspects, the financial position of Association of Early Intervention for Children with Disability (the Association) as at 31st December 2019 and the result of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of Commercial Companies Law of 1974, "as amended".

Sharifa Al-Wadhahi
Date: February 9, 2020.



**Association of Early Intervention for Children with Disability,
Statement of Financial position,
For the year ended 31 December 2019.**

	Notes	2019 OMR	2018 OMR
ASSETS			
Non-current:			
Building, Vehicle and equipment	4	189,834	2,551
Total non-current Assets		189,834	2,551
Current:			
Cash and cash equivalents	5	206,656	324,578
Other receivables	6	19,560	20,760
Total current assets		226,216	345,338
TOTAL ASSETS		416,050	347,889
EQUITY			
Reserves:			
Retained Income	7	402,380	334,976
Total Equity		402,380	334,976
LIABILITIES			
Non-current liabilities:			
Staff terminal Benefits & other payables	8	10,580	9,268
Current Liabilities:			
Other payables/Accrued expenses		3,090	3,645
TOTAL LIABILITIES		13,670	12,913
TOTAL EQUITY AND LIABILITIES		416,050	347,889

The financial statements on pages 3 to 12 were approved by the Chairman on 10/02/2020 and were

Signed on the Association behalf by:

	
CHAIRPERSON	TREASURER




Association of Early Intervention for Children with Disability
Statement of comprehensive income and expenditure
For the year ended 31 December 2019

	Notes	2019 OMR	2018 OMR
INCOME			
AEICD total income received	9	274,918	288,909
Dar Al-Aman total income received		-	408,324
Total income received		274,918	697,233
EXPENSES			
AEICD operating Expenses	10	334,453	316,038
Dar Al-Aman operating expenses		-	283,049
Total Expenses		334,453	599,087
Surplus / Deficit for the year		(59,535)	98,146

The financial statements on pages 3 to 12 were approved by the Chairman on 10/02/2020 and were

Signed on the Association behalf by:

	
CHAIRPERSON	TREASURER

The accompanying notes on pages 7 to 12 form an integral part of these financial statements. The report of the Auditor is set forth on page 3.



Association of Early Intervention for Children with Disability
Statement of cash flows
For the year ended 31 December 2019

	Notes	2019 OMR	2018 OMR
Cash flows from operating activities:			
Surplus / Deficit before tax		(59,535)	98,146
Adjustment for:			
Staff terminal Benefits-net			8,285
Depreciation		-	1,381
Operating surplus before working capital changes			91,242
Changes in working capital:			
Change of Other receivables		1,200	(7096)
Other payables		363	3,645
Net cash generated from operating activities		(57,972)	87,791
Cash flow from investing activities:			
Purchase of vehicles and equipment		(386)	(1,325)
Investing in New building		(189,564)	
Net cash used to investing activities	(a)	(189,950)	(1,325)
Cash flow from financing activities:			
Government grant		130,000	-
Net cash received from financing activities		130,000	-
Net increase/decrease in cash and cash equivalents		(117,922)	86,466
Cash and cash equivalents at the beginning of the year		324,578	238,112
Cash and Cash equivalents at the end of the year		206,656	324,578

Note (a)

The AEICD has started building the headquarters building in September 2019 an the following are the details:

	2019 OMR
1. Grant from the government for new building.	130,000
2. Income from the tender fees	7,500
3. Internal loan (temporary loan from AEICD to building financing)	52,450
Net cash used to investing activities	189,950

The accompanying notes on pages 7 to 12 form an integral part of these financial statements. The report of the Auditor is set forth on page 3.

Association of Early Intervention for Children with Disability**Notes (Forming part of the financial statements)****1 Nature of operations**

The Association of Early Intervention for Children with Disability (Association) serves children from birth to 6 years, who are risk or disabled, with a comprehensive early intervention program that covers social, education and therapeutic service; with the objective of having the children enroll in regular schools or minimize their disabilities to ensure a better quality of life for them and their families.

2 General information and statement of compliance with IFRS

The Association was officially chartered by ministerial order (144/2000) issued on 20 May 2000. The financial statements of the Association have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

3 Summary of accounting policies**3.1 Overall considerations**

The significant accounting policies that have been used in the preparation of these financial statements are summarized below.

3.2 Presentation of financial statements

The financial statements are presented in accordance with IAS 1 Presentation of Financial Statements.

3.3 Donation and receipts from events

Cash donation are recorded as income when received. Donation as materials and services (Donation received in kind), which would otherwise be paid for the Association, are recorded at fair value when provided. Where an estimate of fair value cannot reasonably be made, such Donation are not recorded.

3.4 Operating expenses

Operating expenses are recognized in the statement of income and expenditure upon utilization of the service or at the date of their origin.

3.5 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and cash at bank which is subject to insignificant risk of changes in value.

3.6 Vehicle and equipment

Vehicle and equipment are initially recognized at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Association's management.

Vehicle and equipment are subsequently measured using the cost model, cost less subsequent depreciation and impairment losses.

Association of Early Intervention for Children with Disability

Notes (Forming part of the financial statements)

3 Summary of accounting policies (continued)**3.6 Vehicle and equipment (continued)**

Depreciation is calculated using straight-line method to write down the cost and valuation less estimated residual value of property, plant and equipment. The periods generally applicable are:

- Computer equipment 3 years
- Furniture and equipment 3 years
- Motor vehicle 3 years

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Profit or loss on disposals are determined by comparing the proceeds with the carrying amounts and are recognized within 'other income' in the statement of income and expenditure.

3.7 Impairment testing of assets

All assets are subject to impairment testing. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. The management of the Association has reviewed the assets of the Association and is of the opinion that no impairment has occurred to any of the Association's assets.

Individual assets or cash-generating units with an indefinite useful life or those not yet available for use are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the assets or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value in use, based on an internal discounted cash flow

Evaluation. All assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist.

Trade receivables are provided against when objective evidence is received that the Association will not be able to collect all amounts due to it in accordance with the original terms of the receivables. The amount of the write-down is determined as the difference between the asset's carrying amount and the present value of Estimated future cash flows. An impairment loss in respect of trade receivables is reversed if the subsequent increase in recoverable amount can be related to an event occurring after the impairment loss was recognized.

3.8 Retained earnings

Retained Earnings include all current and prior period results of Association of Early Intervention for Children with Disability.

Association of Early Intervention for Children with Disability
Notes (Forming part of the financial statements)

3 Summary of accounting policies (continued)

3.9 Post-employment benefits and short-term employee benefits

The provision for employees' terminal benefits is based upon the liability accrued in accordance with the terms of employment of the Association's employees at the reporting date, having regard to the requirements of the Oman Labour Law, 2003 and the Social Security Law, 1991.

Government of Oman Social Insurance Scheme (the Scheme)

The Association contributes to the Scheme for all Omani employees. The Scheme, which is a defined contributions retirement plan, is administered by the Government of Oman. The Association and Omani employees are required to make monthly contributions to the Scheme at 11.5% and 7% respectively, of gross salaries.

Non-Omani employee terminal benefits

The provision for end of service benefits for non-Omani employees is made in accordance with the requirements of the Oman Labour Law of 2003. Employees are entitled to end of service benefits calculated at the rate of 15 days basic salary for each of the first three years of continuous service and at a rate of 30 days basic salary for each year of continuous service following the first three years. This is an unfunded defined benefits retirement plan. Accrued non-Omani staff terminal benefits are payable on termination of employment.

3.10 Provisions, contingent liabilities and contingent assets

Provisions are recognized when present obligations will probably lead to an outflow of economic resources from the Association and they can be estimated reliably. Timing or amount of the outflow may still be uncertain.

A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events. Restructuring provisions are recognized only if a detailed formal plan for the restructuring has been developed and implemented, or management has at least announced the plan's main features to those affected by it. Provisions are not recognized for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Long term provisions are discounted to their present values, where the time value of money is material.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate of Association's management.

Any reimbursement that the Association can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset. However, this asset may not exceed the amount of the related provision

3.11 Significant management judgement in applying accounting policies and estimation uncertainty

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

The following are significant management judgements in applying the accounting policies of the Association that have the most significant effect on the financial statements.

Association of Early Intervention for Children with Disability
Notes (Forming part of the financial statements)

3 Summary of accounting policies (continued)

Estimation uncertainty

When preparing the financial statements management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses.

The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

Information about significant judgements, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below.

Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting date. At 31 December 2017, management assesses that the useful lives represent the expected utility of the assets to the Association. The carrying amounts are analyzed in Note 4.

4 Vehicle, office equipment, & Building

	Land OMR	New Building	Computer equipment OMR	Furniture & Equipment OMR	Vehicle OMR	Total OMR
Cost						
At January 2019	1	-	4,323	35,117	1,723	41,164
Additions	-	189,564	386	-	-	189,950
As at 31st December 2019	1	189,564	4,709	35,117	1,723	231,114
Depreciation:						
As at 1 st January 2019	-	-	3,894	33,673	1723	39,290
Provided during the year	-	-	546	1444	-	1990
As at December 2019	-	-	4,440	35,117	1723	41,280
Net book value As at December 2019	1	189,564	269	-	-	189,834

5 Cash and cash equivalents

	31 st December 2019	31 st December 2018
Cash at bank AEICD	206,656	175,645

6 Other receivable

	31 st December 2019	31 st December 2018
Staff advance	19,560	20,760

Association of Early Intervention for Children with Disability
Notes (Forming part of the financial statements)

7 Retained earnings

	31 st December 2019	31 st December 2018
Opening balance (extrapolated with Dar Aman)	186,221	236,830
Surplus for the year	(59,536)	98,146
Retained earnings	126,685	334,976
Grant for the building	182,064	-
Excess Income over expenditure	93,632	-
Closing balance	402,381	334,976

8 Staff terminal benefits

	31 st December 2019	31 st December 2018
Opening balance	9,268	17,553
Provision for the year	3,327	729
Paid during the year	(2015)	(9,014)
Closing balance	10,580	9,268

9 Donations and receipts from events

	31 st December 2019	31 st December 2018
Donations and Receipts	265,463	172,625
Donation for association from government	-	50,000
Family contribution	1,371	51,768
Other income from multi-services	8,084	14,516
Total of all above	274,918	288,909

10 AEICD operating expense

	Note	31 st December 2019	31 st December 2018
Salaries and related costs		262,319	262,741
Transportation expenses		20,353	23,275
Social security and medical		34,490	18,639
Utilities expenses		2,316	2,743
Communication expenses		1,172	1,483
Maintenance expenses		1,193	1,137
Immigration expenses		2,986	1,110
Food expenses		733	1,012
Depreciation expense		995	983
Printing expenses		1,604	862
Material expenses		995	244
Bank charges		185	188
Miscellaneous expenses	11	5,148	1,621
TOTAL OPERATING EXPENSES		334,453	316,038

Association of Early Intervention for Children with Disability
Notes (Forming part of the financial statements)

11. Miscellaneous expenses

	31 st December 2019
Car expenses	701
Cleaning material	311
Educational material	65
Travel expenses	2,098
Uniform expenses	266
Other sundry expenses	478
Total Miscellaneous expenses	5,148

12 Tax Income

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

12 Financial instruments risk

Risk management objectives and policies

The Association is not exposed to risks in relation to financial instruments. The main types of risks, credit risk and liquidity risk.

The Association does not actively engage in the trading of financial assets for speculative purposes nor does

13.1 Credit risk analysis

Credit risk is the risk that counterparty fails to discharge an obligation and cause the Association to incur a financial loss.

The Association's maximum exposure to credit risk is limited to the carrying amount of financial assets recognized at the reporting date.

13.2 Liquidity risk analysis

Liquidity risk also referred to as funding risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

Liquidity requirements are monitored on a regular basis and the management ensures that sufficient funds are available to meet any future commitments.

14 Comparative figures

Certain comparative figures have been reclassified to conform to the current year's financial statements presentation. Such reclassification does not affect previously reported retained earnings, net equity.