

Kuwait Transparency Society
Kuwait
Financial Statements
for the year ended as of 31 December 2021
with
Independent auditor's Report

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Kuwait Transparency Society
Kuwait

Statement of financial position as of 31 December 2021
(All amounts are in Kuwaiti Dinars)

	Note	2021 KD	2020 KD
<u>Assets</u>			
Cash and cash equivalents	4	26770	39060
Accounts receivables and other debit balances	5	40000	40000
Total current assets		66770	79060
Total Assets		66770	79060
<u>liabilities and equity</u>			
<u>current Liabilities</u>			
Other credit balances	6	200	656
Total current Liabilities		200	656
<u>Equity</u>			
Surplus of the association		66570	78404
Total equity		66570	48404
Total equity and liabilities		66770	79060

The acestablishmenting notes are an integral part of these financial statements

Kuwait Transparency Society
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Statement of comprehensive income for the year ended as of 31 December 2021
(All amounts are in Kuwaiti Dinars)

	Note	2021 KD	2020 KD
		<u> </u>	<u> </u>
Revenues	7	580	43124
Cost of Revenues		-	(9432)
Gross Profit		580	33692
<u>Expenses and other charges</u>			
General & administrative Expenses	8	12414	11899
Total Expenses and other charges		(12414)	(11899)
Net (deficiency) surplus for the Year		(11834)	21793
Excess surplus for the Year		78404	56611
Total surplus for the Year		66570	78404

The acestablishmenting notes are an integral part of these financial statements

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Statement of cash flows for the year ended as of 31 December 2021
(All amounts are in Kuwaiti Dinars)

	2021	2020
	KD	KD
<u>Cash flows from operating activities</u>		
Total (deficiency) surplus for the Year	(11834)	21793
Adjustments for :-		
Operating (deficiency) surplus before changes in working capital	(11834)	21793
<u>Changes in Assets & Liabilities operating</u>		
Accounts receivables and other debit balances	-	(39446)
Other credit balances	(456)	656
Net cash resulting from (used in) operating activities	(12290)	(16997)
<u>Cash flows from financing activities</u>		
Net cash (used in) financing activities	(12290)	(16997)
Net (decrease in) Cash and Cash equivalents	(12290)	(16997)
Cash and Cash equivalents at beginning of the Year	39060	56057
Cash and Cash equivalents at end of the year	26770	39060

The establishing notes are an integral part of these financial statements

Notes to the financial statements for the year ended as of 31 December 2021
(All amounts are in Kuwaiti Dinars)

1 **Status and activities**

Kuwait Transparency Society - Kuwait - was declared in accordance with Ministerial Resolution No. 29 of 2006 issued by the Ministry of Social Affairs and Labor on 13 March 2016 and published in the Official Gazette No. 761 of 2006 issued on 26 March 2006.

The Society address: **Khalidiya – Block (3) – St. (31) Inside the Garden of the Ministry of Affairs.**

The financial statements were approved & authorized by the Administration dated 06 Jan 2022

2 **Significant accounting policies**

a) **Basis of Preparation**

The financial statements are prepared under historical cost convention in accordance with the International Financial Reporting Standards promulgated by the International Accounting Standards Board (IFRS), and the interpretations issued by the International Financial Reporting Interpretations Committee (IASB).

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

b) **Cash and cash equivalents**

Cash and cash equivalents comprise of cash at bank and in hand and short-term bank deposits with an original maturity of three months or less.

c) **Trade accounts receivables**

Receivables are recognized initially at fair value and subsequently, measured at amortized cost using the effective interest rate method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

Notes to the financial statements for the year ended as of 31 December 2021
(All amounts are in Kuwaiti Dinars)

d) Trade accounts payable

Trade accounts payable are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method.

f) Property and equipment

Property and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses due to impairment in value. Cost includes the purchase price and direct associated costs for bringing the assets to working condition for its intended use. Maintenance, repairs, replacements and improvements of minor importance as incurred. Significant improvements and replacements of assets are capitalized. Gains and losses on retirement or disposal of assets are included in the statement of income.

Depreciation is calculated based on straight-line method over the estimated useful lives as follows:

3 Impairment

The carrying amounts of property and equipment, goodwill, intangible assets and investments are reviewed at the balance sheet date to determine whether there is any indication of impairment. In case of existence of events or changes in circumstances, indicates that the carrying amount for the assets may be unrecoverable. An impairment loss is recognized in the statement of income whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of the assets is greater of their net selling price or value in use.

h) Closing Stock

Closing stock are stated at the lower of cost and net realizable value after making provision for non and slow moving goods.

i) Employee's end of service indemnity

The provision is calculated in accordance with Kuwaiti Labour Law based on the employees' salaries and accumulated periods of service or on the basis of employment contracts, where such contracts provide extra benefits. The provision, which is unfunded, is determined as the liability that would arise as a result of the involuntary termination of staff at the balance sheet date, on the basis that this computation is a reliable approximation of the present value of this obligation.

Notes to the financial statements for the year ended as of 31 December 2021
(All amounts are in Kuwaiti Dinars)

k) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of returns.

l) Foreign currencies

The functional currency of the Society is Kuwaiti Dinar ('KD'). Transactions denominated in foreign currencies are translated into KD at rates of exchange prevailing at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into KD at the rates of exchange prevailing at the balance sheet date. The resultant exchange differences are taken to the statement of income.

m) Provisions

Provisions are recognized, when as a result of past events it is probable that an outflow of economic resources will be required to settle a present legal or constructive obligation and the amount can be reliably estimated.

4 <u>Cash and cash equivalent</u>	2021	2020
	KD	KD
Cash on hand	453	216
Cash at Bank	26317	38844
Total	26770	39060

5 <u>Accounts Receivables and other debit balances</u>	2021	2020
	KD	KD
Support of Government Agencies	40000	40000
Total	40000	40000

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Notes to the financial statements for the year ended as of 31 December 2021
(All amounts are in Kuwaiti Dinars)

6	<u>Other credit balances</u>	2021	2020
		KD	KD
		<hr/>	<hr/>
	Accrued expenses	200	656
	Total	200	656
		<hr/>	<hr/>
7	<u>Revenues</u>	2021	2020
		KD	KD
		<hr/>	<hr/>
	Supporting the issuance of a book (Introduction to the Anti-Corruption Law)	-	3034
	Support of Government Agencies	-	40000
	Affiliate fees and membership subscriptions	580	90
	Total	580	43124
		<hr/>	<hr/>
8	<u>General and administrative expenses</u>	2021	2020
		KD	KD
		<hr/>	<hr/>
	Bank charges	29	-
	Printing & Stationary	248	226
	Advertising & gifts	1733	5404
	Bonuses	5390	3810
	Hospitality	428	205
	Website fees	250	612
	Travel expenses	1694	-
	Maintenance	2178	668
	Professional fees	200	500
	Cleaning	185	284
	Miscellaneous	-	190
	Total	12335	11899
		<hr/>	<hr/>

9 **The financial Statements**

The comparative figures of the year 2020 for the financial statements are taken from audited balance sheet by another office.

Notes to the financial statements for the year ended as of 31 December 2021
(All amounts are in Kuwaiti Dinars)

10 Financial instruments - Fair value and credit risk
Fair value of financial instruments

The Society uses with its activity some financial instruments consist of cash, trade account receivable and trade account payable. It is the opinion of the management that the fair value of the financial assets and liabilities of the Society at **31 December 2021** were not material different from amounts, their respective carrying amounts.

11 Credit risk related to financial instruments

Interest rate risk

The financial instruments are exposed to interest rate risk due to the changes in the amount as a result of the changes in rating bracing averse. All the financial assets and liabilities of the Society are manageable to interest.

Credit risk

Credit risk is the risk that one party to the transaction may fail to discharge an obligation or causes the other party to incur a financial profit. The risk is represented by the carrying of each financial asset in the balance sheet.

Foreign currency risk

The Society is exposed to the foreign currency risk resulting from the transaction which is done by non Kuwaiti Dinar. It is possible for the Society to reduce the foreign currency risk by using financial instruments. The Society desire to remain the net exposure of foreign currency risk at risible level. And that throw dealing with currencies not fluctuation in the value of these currencies material against the Kuwaiti Dinar.

Liquidity risk

Liquidity risk is the risk that the Society will encounter difficulty in raising funds to meet commitments associated with financial instruments. To manage this risk, the Society periodically assesses the financial viability of customers and arranges financing as needed.

Cash flow risk

Cash flow risk is the risk that the future cash flow amounts fluctuate which is associated with financial instrument and now there is no any material cash flow risk to the Society.