

### Independent Auditor's Report

**Mr. Essa Abdul Rahman Al Essa,  
The Indian Community School,  
Kuwait.**

#### **Report on the Financial Statements**

We have audited the accompanying financial statement of The Indian Community School – Kuwait which comprise statement of financial position as of August 31, 2009 and the related statements of comprehensive income, cash flows and changes in owner's equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in circumstances.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards of Auditing. Those standards require that we comply with 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 auditors' judgment including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School 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 School internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

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

**Report on other Legal and Regulatory Requirements**

Also, in our opinion, proper books of account have been kept by the school and stock taking was duly conducted in accordance with recognized practices and we obtained the information and explanations that we required for the purpose of our audit. According to the information available to us, there were no violations of the Ministerial Decree No. 46601 issued on May 16, 1967 and subsequent amendments there to which include private education system that might have had a material effect on the school or on its financial position.



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**Abdulhussain M. Al-Rasheed**  
**License No. 67 - A**  
**Rödl Middle East**  
**Burgan – International Accountants**

May 2, 2010  
State of Kuwait

**The Indian Community School  
Kuwait**

**Statement of financial position as of August 31, 2009**

*"All amounts in Kuwaiti Dinars"*

	Note	2009	2008
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalent	4	2,025,631	313,287
Fixed deposits	5	89,123	1,393,854
Accounts receivable and other debit balances	6	92,136	127,323
Inventory		5,800	11,027
		<u>2,212,690</u>	<u>1,845,491</u>
<b>Non current assets</b>			
Property and Equipment	7	56,634	65,994
<b>Total assets</b>		<u>2,269,324</u>	<u>1,911,485</u>
<b>Liabilities and owner's equity</b>			
<b>Current liabilities</b>			
Accounts payable and other credit balances	8	788,641	612,563
		<u>788,641</u>	<u>612,563</u>
<b>Non current liabilities</b>			
Provision for Staff Indemnity		464,285	405,741
Subordinated Loan	9	781,874	781,924
		<u>1,246,159</u>	<u>1,187,665</u>
<b>Total liabilities</b>		<u>2,034,800</u>	<u>1,800,228</u>
<b>Owner's equity</b>			
Capital	10	25,000	25,000
Retain earnings		209,524	86,257
<b>Total owner's equity</b>		<u>234,524</u>	<u>111,257</u>
<b>Total liabilities and owner's equity</b>		<u>2,269,324</u>	<u>1,911,485</u>

## The Indian Community School Kuwait

### Statement of comprehensive income for the year ended August 31, 2009

*"All amounts in Kuwaiti Dinars"*

	Note	2009	2008
<b>Revenue</b>			
Fee income		1,927,236	1,624,447
Cost of operations	11	<u>(1,648,539)</u>	<u>(1,523,146)</u>
Gross profit		278,697	101,301
Profit from sale of property and equipment		-	649
<b>Total revenue</b>		<u>278,697</u>	<u>101,950</u>
<b>Expense and other charges</b>			
General & administration expenses	12	(202,510)	(173,674)
Depreciation		<u>(32,058)</u>	<u>(32,734)</u>
<b>Total expense and other charges</b>		<u>(234,568)</u>	<u>(206,408)</u>
<b>Net profit / (loss) from operation</b>		<u>44,129</u>	<u>(104,458)</u>
Other income	13	<u>79,138</u>	<u>144,625</u>
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income for the year</b>		<u>123,267</u>	<u>40,167</u>