



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 statements of the Indian Community School – Kuwait, which comprise the statement of financial position as of August 31, 2012 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

The School's management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, 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 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 auditor's 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'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 School's 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 Indian Community School as of August 31, 2012 and of 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

Furthermore, in our opinion, proper books of account have been kept by the school and physical count was 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 thereto which include private education system that might have had a material effect on the business of the school or on its financial position.

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

April 17, 2013
State of Kuwait



The Indian Community School Kuwait

Statement of financial position as of August 31, 2012

"All amounts are in Kuwaiti Dinars"

	Note	2012	2011
Assets			
Current assets			
Cash and cash equivalents	4	2,191,039	2,354,200
Fixed deposits	5	392,086	90,595
Receivables and other debit balances	6	130,960	117,374
Inventory		14,324	10,232
		<u>2,728,409</u>	<u>2,572,401</u>
Non current assets			
Property and Equipment	7	247,181	98,671
Total assets		<u>2,975,590</u>	<u>2,671,072</u>
Liabilities and owner's equity			
Current liabilities			
Payables and accrued expenses	8	973,238	805,710
Non current liabilities			
Provision for end of service indemnity		596,569	527,293
Subordinated Loan	9	781,774	781,774
Total liabilities		<u>2,351,581</u>	<u>2,114,777</u>
Owner's equity			
Share capital	10	25,000	25,000
Retained earnings		599,009	531,295
Total owner's equity		<u>624,009</u>	<u>556,295</u>
Total liabilities and owner's equity		<u>2,975,590</u>	<u>2,671,072</u>

The accompanying notes form an integral part of these financial statements.

The Indian Community School Kuwait



Statement of comprehensive income for the year ended August 31, 2012

"All amounts are in Kuwaiti Dinars"

	Note	2012	2011
Revenue			
Fees income		2,100,807	2,036,261
Cost of operations	11	(1,775,235)	(1,707,847)
Gross profit		325,572	328,414
Other income	12	76,973	77,425
		<u>402,545</u>	<u>405,839</u>
Expenses and other charges			
General and administrative expenses	13	(276,301)	(231,453)
Depreciation		(58,530)	(25,056)
		<u>(334,831)</u>	<u>(256,509)</u>
Net profit from operations		67,714	149,330
Other comprehensive income		-	-
Total comprehensive income for the year		<u>67,714</u>	<u>149,330</u>




