Oman and Emirates Investment Holding Company SAOG its subsidiaries

Consolidated and separate financial statements for the year ended 31 December 2023

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OMAN AND EMIRATES INVESTMENT HOLDING COMPANY SAOG AND ITS SUBSIDIARIES
Administration and contact details
As at 31 December 2023

Commercial Registration Number	1411411
VAT Registration Number	OM1100092401
Board of Directors	Mr. Mohammed Darwish Al Khoori - Chairperson Mr. Saed Saif Nasir Al Saadi - Vice- Chairperson Mr. Ahmed Salem Abdulla Melaih Al Neyadi - Director Mr. Jabara Mohamed Jabara Hasan Al Marar - Director Mr. Salim Taman Al Maashani - Director
Audit Committee	Mr. Jabara Mohamed Jabara Hasan Al Marar - Chairperson Mr. Saed Saif Nasir Al Saadi - Member Mr. Salim Taman Al Maashani - Member
Nomination and Remuneration Committee	Mr. Ahmed Salem Abdulla Melaih Al Neyadi - Chairperson Mr. Mohammed Darwish Al Khoori - Member Mr. Salim Taman Al Maashani - Member
Executive Management	Mr. Raffy Manoug Kozadjian - Acting Chief Executive Officer Mr. Shah Abbas Jaffer Rizvi - Financial Controller
Internal Auditor	Abu Timam Grant Thornton (outsourced professional firm)
Registered Office	P.O. Box 2205 Postal Code 112, Ruwi Muscat Sultanate of Oman
Bankers	National Bank of Oman SAOG Oman Arab Bank SAOG Ahli Bank SAOG Bank Dhofar SAOG Bank Muscat SAOG First Abu Dhabi Bank, Oman Branch First Abu Dhabi Bank, UAE Abu Dhabi Commercial Bank
Auditors	BDO LLC Suites 601 & 602 Pent House, Beach One Bldg. Way No. 2601, Shatti Al Qurum PO Box 1176, Ruwi, PC 112 Muscat Sultanate of Oman

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF OMAN AND EMIRATES INVESTMENT HOLDING COMPANY SAOG

Report on the Audit of the Consolidated and Separate Financial Statements

Qualified Opinion

We have audited the consolidated and separate financial statements of Oman And Emirates Investment Holding Company SAOG ("the Parent Company") and its subsidiaries (collectively referred to as "the Group"), which comprise the consolidated and separate statement of financial position as at 31 December 2023, the statement of profit or loss and other comprehensive income, the consolidated and separate statement of changes in shareholders' equity and the consolidated and separate statement of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, except for the possible effect of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the Group and the Parent Company as at 31 December 2023, and their consolidated and separate financial performance and their consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Qualified Opinion

As discussed in Note 36, the subsidiary appointed an independent consultant to investigate the discrepancies in the brokerage division over a number of years. As of the date of our report, the investigation to assess the potential impact is still ongoing. Hence, the subsidiary's auditors' were unable to obtain balance confirmation or other direct evidence regarding the appropriateness of recorded trade receivables of RO 709,292 and trade payables (including due to related parties) of RO 600,682 as at 31 December 2023. As a result of these matters, we were unable to determine whether any adjustments might have found necessary in respect of trade receivables and trade payables and the elements making up the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows.

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 Consolidated and Separate Financial Statements* section of our report. We are independent of the Group and the Parent Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated and separate 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 qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current year. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matter described below to be the key audit matter to be communicated in our report.

Valuation of unquoted investment in equity securities

As stated in Note 8 to the consolidated and separate statement of financial statements, the Group valued its investment in the unquoted equity shares based on the valuation carried out by an independent valuer. Since the use of such valuation model includes significant estimates and assumptions, the degree of subjectivity and complexity involved in the valuation increases to a considerable extent, therefore, it is considered as a key audit matter.

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Key Audit Matters (continued)

Our procedures in this regard included:

- Obtained management's valuation model and tested it for arithmetical accuracy and the basis in which the inputs into the model were determined;
- evaluate the methodology and appropriateness of valuation techniques used by management, including reasonableness of the assumption used in accordance with the relevant IFRS Accounting Standards;
- used our internal valuation specialists to assess the reasonableness of methodology used and the amount used for valuation;
- assessed the adequacy of disclosures in the financial statements.

Other Matter

The consolidated and separate financial statements of the Group and the Parent Company for the year ended 31 December 2022 were audited by another auditor who expressed an unmodified opinion on those consolidated and separate financial statements dated 8 March 2023.

Other Information included in the Group's Annual Report

Management is responsible for the other information. Other information comprises the Chairman's report, Management Discussion and Analysis Report and Code of Corporate Governance report but does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged With Governance for the consolidated and separate Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS Accounting Standards and their preparation in compliance with the relevant requirements issued by the Capital Market Authority and the applicable provisions of the Commercial Companies Law and Regulations of the Sultanate of Oman, 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 consolidated and separate financial statements, management is responsible for assessing the Group's and the Parent Company'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 Parent Company or the Group or to cease operations, or have no realistic alternative but to do so.

Those Charged With Governance are responsible for overseeing the Group's and the Parent Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 consolidated and separate financial statements.

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Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate 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 Group's and Parent Company's and 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 Group's or the Parent Company 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 consolidated and separate 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 Group's or the Parent Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with Those Charged With Governance 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.

We also provide Those Charged With Governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with Those Charged With Governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Report on Other Legal and Regulatory Requirements

In our opinion, these financial statements as at, and for the year ended 31 December 2023, in all material respects, comply with the applicable provision of the Commercial Companies Law and Regulations of the Sultanate of Oman and relevant disclosure requirements of the Capital Market Authority.

Muscat
11 March 2024

Bipin Kapur
Partner
Membership no: 043615
Institute of Chartered Accountants of India

OMAN AND EMIRATES INVESTMENT HOLDING COMPANY SAOG AND ITS SUBSIDIARIES
Consolidated and separate and statement of financial position
As at 31 December 2023
(Expressed in Omani Rial)

	Notes	2023 Group	2022 Group	2023 Parent Company	2022 Parent Company
ASSETS					
Cash and bank balances	6	1,419,372	2,588,582	266,746	964,158
Trade and other receivables	7	1,307,712	1,487,530	74,976	206,666
Inventories		446,409	456,254	-	-
Financial assets at fair value through profit or loss (FVTPL)	8	14,731,511	14,641,548	10,375,967	10,883,176
Investment in equity accounted investees	10	16,444,544	15,798,771	14,611,372	14,231,630
Investment in subsidiaries	11	-	-	3,852,231	3,596,035
Financial assets at amortised cost	12	-	2,099,271	-	2,099,271
Property, plant and equipment	13	1,993,075	2,257,421	326,283	414,810
Right-of-use asset	14	372,270	385,565	-	-
Investment properties	15	2,826,450	2,950,650	2,556,450	2,680,650
Deferred tax asset	17	61,071	78,367	-	-
TOTAL ASSETS		39,602,414	42,743,959	32,064,025	35,076,396
EQUITY					
Share capital	18	12,187,500	12,187,500	12,187,500	12,187,500
Legal reserve	19	5,062,733	4,991,892	4,062,500	4,062,500
Retained earnings		5,170,489	5,977,493	7,400,041	7,969,803
Equity attributable to owners of the Parent Company		22,420,722	23,156,885	23,650,041	24,219,803
Non-controlling interest		3,380,490	3,175,730	-	-
Total equity		25,801,212	26,332,615	23,650,041	24,219,803
LIABILITIES					
Lease liability	14	400,615	399,715	-	-
Bank overdrafts	20	94,144	79,890	25,836	11,582
Trade and other payables	21	2,023,526	2,656,906	758,231	1,223,178
Term loans	22	2,629,917	2,121,833	2,629,917	2,121,833
Loans from Government	23	8,301,526	10,461,120	4,648,526	6,808,120
Deferred Government grants	23	351,474	691,880	351,474	691,880
Total liabilities		13,801,202	16,411,344	8,413,984	10,856,593
TOTAL EQUITY AND LIABILITIES		39,602,414	42,743,959	32,064,025	35,076,396
Net assets per share	33	0.184	0.190	0.194	0.199

The consolidated and separate financial statements, as set out on pages 6 to 43, were approved and authorised for issue by the Board of Directors and signed on their behalf by:

Mohamed Darwish Al Khoori
Chairman

Saed Saif Nasser Al Saadi
Vice-Chairman

Raffy Manoug Kozadjian
Acting Chief Executive Officer

Shah Abbas Jaffer Rizvi
Financial Controller

OMAN & EMIRATES INVESTMENT HOLDING CO.S.A.O.G.

	Notes	2023 Group	2022 Group	2023 Parent Company	2022 Parent Company
Income					
Interest income	24	257	10,984	257	10,984
Rental income		144,238	124,025	144,238	124,025
Brokerage commission income		154,996	158,129	-	-
Dividends income		743,782	753,691	549,981	631,506
Net income from financial assets at fair value through profit or loss	8	(63,825)	2,645,480	(299,989)	2,863,990
Gross profit on sale of food products	25	211,975	198,011	-	-
Share of profit /(loss) from investments in Associates	10	948,346	(65,291)	682,315	272,533
Share of profit /(loss) from investments in Subsidiaries	11	-	-	256,197	(277,208)
Asset management fees		133,305	120,140	-	-
Other income	26	56,832	110,180	1,737	41,010
Total income		2,329,906	4,055,349	1,334,736	3,666,840
Expenses					
Staff costs	27	(781,401)	(810,030)	(348,425)	(359,597)
Administrative expenses	28	(738,993)	(723,472)	(395,753)	(385,283)
Investments related expenses	29	(11,853)	(11,141)	(11,853)	(21,978)
Directors' remuneration	34	(98,000)	(75,000)	(68,000)	(75,000)
Reversal of allowance for expected credit loss	7	-	151,408	-	130,875
Provision for court settlement for former Chief Executive Officer	21	-	(292,870)	-	(292,870)
Total expenses		(1,630,247)	(1,761,105)	(824,031)	(1,003,853)
Net income		699,659	2,294,244	510,705	2,662,987
Finance costs		(297,670)	(519,749)	(164,371)	(386,001)
Profit before tax for the year		401,989	1,774,495	346,334	2,276,986
Income tax	30	(17,296)	(129)	-	-
Profit after tax and total comprehensive income for the year		384,693	1,774,366	346,334	2,276,986
Attributable to:					
Owners of the Parent Company		179,933	2,084,274	346,334	2,276,986
Non-controlling interest		204,760	(309,908)	-	-
		384,693	1,774,366	346,334	2,276,986
Basic and diluted earnings per share	32	0.001	0.017	0.003	0.019

OMAN AND EMIRATES INVESTMENT HOLDING COMPANY SAOG AND ITS SUBSIDIARIES
Consolidated and separate statement of changes in shareholders' equity
For the year ended 31 December 2023
(Expressed in Omani Rial)

	Notes	Attributable to owners of the Parent Company				Non-controlling interest	Total
		Share capital	Legal reserve	Retained earnings	Total		
Group							
As at 1 January 2022		**12,187,500**	**4,991,892**	**3,893,219**	**21,072,611**	**3,485,638**	**24,558,249**
Profit after tax and total comprehensive income for the year		-	-	2,084,274	2,084,274	(309,908)	1,774,366
At 31 December 2022		**12,187,500**	**4,991,892**	**5,977,493**	**23,156,885**	**3,175,730**	**26,332,615**
As at 1 January 2023		**12,187,500**	**4,991,892**	**5,977,493**	**23,156,885**	**3,175,730**	**26,332,615**
Profit after tax and total comprehensive income for the year		-	-	179,933	179,933	204,760	384,693
Transfer to legal reserve	18	-	70,841	(70,841)	-	-	-
Dividend paid		-	-	(916,096)	-	-	(916,096)
At 31 December 2023		**12,187,500**	**5,062,733**	**5,170,849**	**22,420,722**	**3,380,490**	**25,801,212**

OMAN AND EMIRATES INVESTMENT HOLDING COMPANY SAOG AND ITS SUBSIDIARIES
Consolidated and separate statement of changes in shareholders' equity
For the year ended 31 December 2023
(Expressed in Omani Rial)

	Share capital	Legal reserve	Retained earnings	Total
Parent Company				
As at 1 January 2022	12,187,500	4,062,500	5,692,817	21,942,817
Profit after tax and total comprehensive income for the year	-	-	2,276,986	2,276,986
As at 31 December 2022	12,187,500	4,062,500	7,969,803	24,219,803
As at 1 January 2023	12,187,500	4,062,500	7,969,803	24,219,803
Profit after tax and total comprehensive income for the year	-	-	346,334	346,334
Dividend paid			(916,096)	(916,096)
As at 31 December 2023	12,187,500	4,062,500	7,400,041	23,650,041

OMAN AND EMIRATES INVESTMENT HOLDING COMPANY SAOG AND ITS SUBSIDIARIES
Consolidated and separate statement of cash flow
For the year ended 31 December 2023
(Expressed in Omani Rial)

	Notes	2023 Group	2022 Group	2023 Parent Company	2022 Parent Company
Cash flows from operating activities					
Profit before tax for the year		401,989	1,774,495	346,334	2,276,986
Adjustments for:					
Share of (profit) / loss from equity accounted investees	10	(948,346)	65,290	(682,315)	(272,533)
Share of (profit)/loss of subsidiaries	11	-	-	(256,197)	277,208
Depreciation/amortisation		422,541	446,280	221,585	235,467
Dividends income		(743,782)	(753,691)	(549,981)	(631,506)
Interest income	24	(257)	(10,984)	(776)	(10,984)
Unrealised losses / (gains) on financial assets at fair value through profit or loss	8	541,692	(477,636)	593,503	(791,843)
Realised gains on financial assets at fair value through profit or loss	8	(477,867)	(2,167,844)	(293,514)	(2,072,147)
Provision for employees end-of-service benefits	21	24,606	22,797	6,776	10,116
Gain on disposal of property, plant and equipment		(2,344)	-	-	-
Allowance for expected credit loss		(56,094)	(151,408)	-	(130,875)
Finance costs		297,670	519,749	164,371	386,001
		(540,192)	(732,952)	(450,214)	(724,110)
Trade and other receivables		235,910	(253,283)	131,690	(34,942)
Trade and other payables		(643,429)	728,543	(471,722)	524,268
Inventories		9,845	(21,862)	-	-
Cash used in operations		(937,866)	(279,554)	(790,246)	(234,784)
Finance costs paid		(276,146)	(519,749)	(164,371)	(386,001)
Employees' end-of-service benefits paid	21	(14,557)	(149,217)	-	(124,157)
Net cash used in operating activities		(1,228,569)	(948,520)	(954,617)	(744,942)
Cash flows from investing activities					
Purchase of property, plant and equipment		(15,398)	(23,814)	(3,557)	(371)
Proceeds from disposal of property, plant and equipment		2,344	-	-	-
Dividends and interest income received		744,039	764,675	550,757	642,490
Dividends from equity accounted investees	10	302,573	236,188	302,573	151,285
Proceeds from disposal of financial assets at fair value through profit or loss		3,229,474	10,490,244	1,296,765	8,632,067
Proceeds from maturity of financial assets at amortised cost	12	2,093,971	-	2,093,971	-
Purchase of financial assets at fair value through profit or loss	8	(3,383,263)	(2,005,053)	(1,089,546)	-
Net cash generated from investing activities		2,973,740	9,462,240	3,150,963	9,425,472
Cash flows from financing activities					
Proceeds from term loans	24	1,076,084	67,211	1,076,084	67,211
Payment of term loans	24	(568,000)	(1,046,188)	(568,000)	(1,046,188)
Repayment of Government soft loan	25	(2,500,000)	(6,300,000)	(2,500,000)	(6,300,000)
Payment of lease liabilities	15	(20,624)	(15,503)	-	-
Dividends paid to shareholders		(916,096)	-	(916,096)	-
Net cash used in financing activities		(2,928,636)	(7,294,480)	(2,908,012)	(7,278,977)
Net change in cash and cash equivalents		(1,183,465)	1,219,240	(711,666)	1,401,553
Cash and cash equivalents at the beginning of the year		2,416,269	1,197,028	860,152	(541,401)
Cash and cash equivalents at the end of the year	6	1,232,804	2,416,268	148,486	860,152

1 Legal status and principal activities

Oman and Emirates Investment Holding Company SAOG (the "Parent Company") is registered as an Omani joint stock company. It is engaged in investment activities and related services in accordance with Royal Decree No. 10/93 and its Articles of Association. The Parent Company operates in the Sultanate of Oman under the Commercial Companies Law and Regulations of the Sultanate of Oman. It has a branch which operates under the relevant local requirements of the United Arab Emirates.

These consolidated and separate financial statements includes the result of operations and assets and liabilities of the Parent Company and its subsidiaries (together referred to as "the Group"). The Group's principal place of business is located at Ghala and at Abu Dhabi in the United Arab Emirates (UAE) (Branch).

The Group has the following subsidiaries and equity accounted investees:

	Country of incorporation	Shareholding percentage 2023	2022	Principal activities
Subsidiaries				
Omani Euro Food Industries Company SAOG	Oman	81	81	Manufacture of baby food
The Financial Corporation Company SAOG	Oman	51	51	Financial services
Equity accounted investees				
Oman Hotels and Tourism Company SAOC	Oman	32	32	Hospitality services
Oman Fiber Optic Company SAOC	Oman	21	21	Fiber optic products

2 Basis of preparation

(a) Statement of compliance

The consolidated and separate financial statements have been prepared in accordance with the International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively IFRS Accounting Standards) and the requirements of the Commercial Companies Law (CCL) and Regulations (CCR) of the Sultanate of Oman and the relevant disclosure requirements of the Capital Market Authority (CMA).

(b) Statement of measurement

The consolidated financial statements have been prepared under the historical cost basis and going concern assumption, except for financial assets at fair value through profit or loss which are stated at their fair values and investment in associates which are equity accounted. The preparation of consolidated and separate financial statements is in conformity with IFRS Accounting Standards that requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Group's and the Parent Company's accounting policies.

(c) Basis of consolidation

The consolidated and separate financial statements include the accounts of the Parent Company and its subsidiaries, after elimination of all inter-company transactions, balances and unrealised surpluses and deficits on transactions between the group companies. Entities controlled by the Parent Company by virtue of holding more than fifty percent of the voting shares are considered as subsidiaries. Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases. Control is achieved when the Parent Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All inter-company transactions, balances and unrealised gains or losses on transactions between group companies are eliminated; unrealised losses are also eliminated unless the costs cannot be recovered. Accounting policies of subsidiaries have been changed, wherever necessary, to ensure consistency with the policies adopted by the Parent Company.

The Parent Company does not consolidate its holdings in those entities from which it does not obtain any benefit from its activities and the investments are held only on behalf, and for the beneficial interest, of third parties.

(d) Functional currency

These consolidated and separate financial statements have been presented in Omani Rial (RO) which is the functional and reporting currency of the Group and the Parent Company.

3 Change in accounting policies

(a) Standards, amendments and interpretations effective and adopted in the year 2023

The following new standards, amendments to existing standards or interpretations to various IFRS Accounting Standards are mandatorily effective for the reporting period beginning on or after 1 January 2023:

Standard or Interpretation	Title
IFRS 17	Insurance Contracts
Amendments to IAS 1	Disclosure of Accounting Policies
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction
Amendments to IAS 12	International Tax Reform - Pillar Two Model Rules (effective immediately upon the issue of the amendments and retrospectively).

IFRS 17: Insurance contracts

IFRS 17 was issued by the IASB in 2017 and replaces IFRS 4 for annual reporting period beginning on or after 1 January 2023.

IFRS 17 introduces an internationally consistent approach to the accounting for insurance contracts. Prior to IFRS 17, significant diversity has existed worldwide relating to the accounting for and disclosure of insurance contracts, with IFRS 4 permitting many previous accounting approaches to be followed.

Since IFRS 17 applies to all insurance contracts issued by an entity, its adoption may have an effect on non-insurers.

The Group and the Parent Company carried out an assessment of its contracts and operations and concluded that the adoption of IFRS 17 has had no effect on the consolidated and separate financial statements of the Group and the Parent Company.

Amendments to IAS 1: Disclosure of Accounting Policies (Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements)

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2. The amendments aim to make accounting policy disclosures more informative by replacing the requirement to disclose 'significant accounting policies' with 'material accounting policy information'. The amendments also provide guidance under what circumstance, the accounting policy information is likely to be considered material and therefore requiring disclosure.

These amendments have no effect on the measurement or presentation of any items in the consolidated and separate financial statements of the Group and the Parent Company but affect the disclosure of accounting policies of the Group and the Parent Company.

Amendments to IAS 8: Definition of Accounting Estimates (Accounting policies, Changes in Accounting Estimates and Errors)

The amendments to IAS 8, which added the definition of accounting estimates, clarify that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from the correction of prior period errors. These amendments clarify how entities make the distinction between changes in accounting estimate, changes in accounting policy and prior period errors.

These amendments had no effect on the consolidated and separate financial statements of the Group and the Parent Company.

3 Change in accounting policies (continued)

Amendments to IAS 12: Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

In May 2021, the IASB issued amendments to IAS 12, which clarify whether the initial recognition exemption applies to certain transactions that result in both an asset and a liability being recognised simultaneously (e.g. a lease in the scope of IFRS 16). The amendments introduce an additional criterion for the initial recognition exemption, whereby the exemption does not apply to the initial recognition of an asset or liability which at the time of the transaction, gives rise to equal taxable and deductible temporary differences.

These amendments had no effect on the consolidated and separate financial statements of the Group and the Parent Company.

Amendments to IAS 12: Income Taxes: International Tax Reform - Pillar Two Model Rules

In December 2021, the Organisation for Economic Co-operation and Development (OECD) released a draft legislative framework for a global minimum tax that is expected to be used by individual jurisdictions. The goal of the framework is to reduce the shifting of profit from one jurisdiction to another in order to reduce global tax obligations in corporate structures. In March 2022, the OECD released detailed technical guidance on Pillar Two of the rules.

Stakeholders raised concerns with the IASB about the potential implications on income tax accounting, especially accounting for deferred taxes, arising from the Pillar Two model rules. The IASB issued the final Amendments (the Amendments) International Tax Reform - Pillar Two Model Rules, in response to stakeholder concerns on 23 May 2023.

The Amendments introduce a mandatory exception to entities from the recognition and disclosure of information about deferred tax assets and liabilities related to Pillar Two Model Rules. The exception is effective immediately and retrospectively. The Amendments also provide for additional disclosure requirements with respect to an entity's exposure to Pillar Two income taxes.

Management of the Group and the Parent Company has determined that it is not within the scope of OECD's Pillar Two Model Rules and the exception to the recognition and disclosure of information about deferred tax assets and liabilities related to Pillar Two income taxes is not applicable to the Group and the Parent Company.

(b) Standards, amendments and interpretations issued but not yet effective

The following new/amended accounting standards and interpretations have been issued by the IASB that are effective in future accounting periods and the Group have decided not to adopt early:

Standard or Interpretation	Title	Effective for annual periods beginning on or after
Amendments to IFRS 16	Leases: Liability in a Sale and Leaseback	1 January 2024
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to IAS 1	Non-current Liabilities with Covenants	1 January 2024
Amendments to IAS 7	Statement of Cash Flows: Supplier Finance Arrangements	1 January 2024
Amendments to IFRS 7	Financial Instruments: Disclosures: Supplier Finance Arrangements	1 January 2024
Amendments to IAS 21	The Effects of Changes in Foreign Exchange Rates: Lack of exchangeability	1 January 2024

The Group and the Parent Company does not expect these amendments and standards issued but not yet effective, to have a material impact on the consolidated and separate financial statements.

4 Material accounting policy information

A summary of the material accounting policies adopted in the preparation of these consolidated and separate financial statements is set out below. These policies have been consistently applied to all the years presented, unless stated otherwise.

(a) Consolidation

(i) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Parent Company and its subsidiaries, from the date that control effectively commenced until the date that control effectively ceased. Control is achieved when the Parent Company has the power to govern the financial and operating policies of the subsidiary so as to obtain benefits from its activities.

All intra-group and group balances, income and expenses and unrealised gains and losses resulting from intra-company and group transactions are eliminated.

(ii) Subsidairies

Subsidiaries are all entities over which the Parent Company exercises significant control. The Parent Company controls an entity when it is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group and the Parent Company controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Parent Company. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Parent Company. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Parent Company's share of the identifiable net assets acquired is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the Parent Company and subsidiary companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group and the Parent Company.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in consolidated and separate shareholders' (members') equity. Gains or losses on disposals to non-controlling interests are also recorded in consolidated shareholders' (members') equity.

When the Parent Company ceases to have control, any retained interest in the subsidiary is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that subsidiary are accounted for as if the Parent Company had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

4 Material accounting policy information (continued)

(a) Consolidation (continued)

(iii) Investment in an associate

Associate is an entity over which the Group and the Parent Company have an interest of between 20% and 50% and exercise significant influence and which is neither a subsidiary nor a joint venture. The consolidated and separate financial statements include the Group's and the Parent Company's share of the total recognised gains and losses of the associates on an equity accounted basis, from the date that significant influence commences until the date that significant influence ceases. When the Group's and the Parent Company's share of losses exceeds its interest in an associate, the investment's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group and the Parent Company have incurred legal or constructive obligations or made payments on behalf of the associate.

Dividend received from the associate is reduced from the carrying value of the investment in the associate.

(iv) Investment income

Investment income on financial assets at fair value through profit or loss and financial assets at fair value through profit or loss is recognised when the entitlement arises. Dividend income is recognised when the amount is either notified to the Group or the Parent Company.

(v) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Committee that makes strategic decisions.

(b) Property, plant and equipment

Property, plant and equipment are stated at historical cost or valuation less accumulated depreciation and any impairment in value, except for freehold land which is not depreciated. Cost includes all costs directly attributable to bringing the asset to working condition for their intended use.

Depreciation is calculated using the straight-line method to allocate their cost to their residual values over the estimated useful lives, as follows:

	Years
Buildings	20-40
Plant and machinery	15-20
Furniture and fixtures	3-5
Leasehold improvements	5
Office equipment	3-5
Motor vehicles	3-4

Freehold land is not depreciated as it is deemed to have an indefinite useful life.

Any revaluation increase arising on the revaluation of freehold land is credited to the property revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in the carrying amount arising on the revaluation of such property is charged to profit or loss to the extent that it exceeds the balance, if any, held in the property revaluation reserve relating to a previous revaluation of that asset.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining net profit or loss.

Repairs and renewals are charged to profit or loss when the expenditure is incurred.

The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

4 Material accounting policy information (continued)

(c) Investment properties

Investment properties comprise freehold land and buildings held for long-term rental yields and not occupied by the Group and the Parent Company. Investment properties are carried at cost, less impairment. Any required impairment charge is recorded in the consolidated and separate statement of profit or loss and other comprehensive income.

Depreciation is calculated in accordance with the straight-line method, to write-off the cost of each investment property to its estimated residual value over the expected useful economic life, which is not expected to exceed 25 years. Land is not depreciated as it is deemed to have an infinite life.

(d) Joint ventures

Joint ventures are those entities over whose activities the Group and the Parent Company has joint control, established by contractual agreement from the date that joint control effectively commences, until the date that joint control effectively ceases. The consolidated and separate financial statements include the Group's and the Parent Company's share of the total recognised gains and losses of the joint venture on an equity basis, since the management's view is that this represents an acceptable and conservative method of measuring the fair value.

(e) Financial instruments

Financial instruments are recognised when the Group and the Parent Company becomes a party to the contractual provisions of the instrument. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

[A] Financial asset

The Group and the Parent Company determines the classification of its financial assets at initial recognition. The classification depends on the Group's and the Parent Company's business model for managing the financial assets and the contractual terms of the cash flows.

I. Classification

The financial assets are classified in the following measurement categories:
a) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss); and
b) those to be measured at amortised cost.

For assets measured at fair value, gains and losses will either be recorded in the Group's and the Parent Company's consolidated and separate statement of profit or loss or other comprehensive income. For investments in equity instruments, the Group and the Parent Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through profit or loss.

II. Measurement

At initial recognition, the Group and the Parent Company 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 that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss as incurred.

The Group and the Parent Company has classified fair value measurements on a recurring basis using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:
- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

Debt instruments

Subsequent measurement of debt instruments depends on the Group's and the Parent Company's business model for managing the asset and the cash flow characteristics of the asset. The Group and the Parent Company classifies debt instruments at amortised cost based on the below:
a) the asset is held within a business model with the objective of collecting the contractual cash flows; and
b) the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the Effective Interest Rate (EIR).

4 Material accounting policy information (continued)

(e) Financial instruments (continued)

[A] Financial asset (continued)

II. Measurement (continued)

Equity instruments

If the Group and the Parent Company elects to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments continue to be recognised in profit and loss as other income when the Group's and the Parent Company's right to receive payment is established. There are no impairment requirements for equity investments measured at fair value through other comprehensive income. Changes in the fair value of financial assets at fair value through profit or loss are recognised in other income/(losses) in profit or loss as applicable.

III. De-recognition of financial assets

The Group and the Parent Company derecognises a financial asset when the contractual rights to the cash flows from the assets expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group and the Parent Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group and the Parent Company recognises its retained interest in the asset and associated liability for amounts it may have to pay. If the Group and the Parent Company retains substantially all the risks and rewards of ownership of the transferred financial asset, the Group and the Parent Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

IV. Impairment

The Group and the Parent Company applies the Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the financial assets and credit risk exposure that are debt instruments and are measured at amortised cost e.g., loans, deposits, trade receivables.

ECL is the probability-weighted estimate of credit losses (i.e. present value of all cash shortfalls) over the expected life of the financial asset. A cash shortfall is the difference between the cash flows that are due in accordance with the contract and the cash flows that the Group and the Parent Company expects to receive. The ECL considers the amount and timing of payments and, hence, a credit loss arises even if the Group and the Parent Company expects to receive the payment in full but later than when contractually due. The ECL method requires assessing credit risk, default and timing of collection since initial recognition. This requires recognising allowance for ECL in profit and loss even for receivables that are newly originated or acquired.

Impairment of financial assets is measured as either 12-months ECL or life-time ECL, depending on whether there has been a significant increase in credit risk since initial recognition '12-months ECL' represents the ECL resulting from default events that are possible within 12 months after the reporting date. 'Lifetime ECL' represents the ECL that results from all possible default events over the expected life of the financial asset.

Trade receivables are of a short-duration, normally less than 12 months, and hence the loss allowance measured as lifetime ECL does not differ from that measured as 12 months ECL. The Group and the Parent Company uses the practical expedient in IFRS 9 for measuring ECL for trade receivables using a provisioning matrix based on aging of trade receivables.

The Group and the Parent Company uses historical loss experience and derived loss rates based on the past twelve months and adjusts the historical loss rates to reflect the information about current conditions and reasonable and supportable forecasts of future economic conditions. The loss rates differ based on the aging of the amounts that are past due and are generally higher for those with the higher aging.

4 Material accounting policy information (continued)

(e) Financial instruments (continued)

[A] Financial asset (continued)

Dividend income

Dividends receivable from financial instruments are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group and the Parent Company, and the amount of the dividend can be measured reliably.

[A] Financial liabilities

The Group and the Parent Company determines the classification of its financial liabilities at initial recognition. The classification depends on the business model for managing the financial liabilities and the contractual terms of the cash flows.

i. Classification

The financial liabilities are classified in the following measurement categories:

a) those to be measured as financial liabilities at fair value through profit or loss; and
b) b) those to be measured at amortised cost.

ii. Measurement

All financial liabilities are recognised initially at fair value. Financial liabilities accounted at amortised cost like borrowings are accounted at the fair value determined based on the EIR after considering the directly attributable transaction costs.

The Group and the Parent Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

The EIR method calculates the amortised cost of a debt instrument by allocating interest charge over the relevant EIR period. The EIR is the rate that exactly discounts estimated future cash outflow (including all fees and points paid or received that form an integral part of the EIR, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. This category generally applies to borrowings, trade payables, etc.

The Group's and the Parent Company's financial liabilities include loan from government, term loans, lease liabilities, bank overdrafts and trade and other payables. The Group and the Parent Company measures financial liabilities at amortised cost.

iii. Derecognition of financial liabilities

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 a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

iv. Derecognition of financial liabilities

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 a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

v. Determination of fair values

A number of the Group's and the Parent Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. Fair values have been determined for measurement and/or disclosure purposes based on certain methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

4 Material accounting policy information (continued)

(e) Financial instruments (continued)

[A] Financial liabilities (continued)

vi. Impairment of non-financial assets

The carrying amount of the Group's assets or its cash generating unit, other than financial assets, are reviewed at each consolidated and separate statement of financial position date to determine whether there is any indication of impairment. A cash generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other asset and groups. If any such indication exists, the asset's recoverable amount is estimated. The recoverable amount of an asset or a cash generating unit is the greater of its value-in-use or fair value less costs to sell. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses are reversed only if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount.

(f) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost, which is determined on the weighted average cost basis, comprises expenditure incurred in the normal course of business in bringing inventories to their present location and condition. Net realisable value is the estimate of the selling price in the ordinary course of business less any incidental selling expenses. Where necessary, provision is made for obsolete, slow-moving and defective inventories.

(g) Cash and cash equivalents

For the purposes of the consolidated and separate statement of cash flows, cash and cash equivalents comprise cash on hand and bank balances, net of bank overdrafts. In the consolidated and separate statement of cash flows, bank overdrafts is included as part of current liabilities.

(h) Government grants

Government grants are recognised at their fair values where there is a reasonable assurance that the grant will be received and the Group and the Parent Company will comply with all attached conditions. The soft loan are carried in the consolidated and separate statement of financial position at fair value being the fair value of consideration received. The fair value of the consideration received is the sum of all future cash payments, discounted using the market borrowing rates of interest for loans having similar maturity to discount the future contractual cash flows.

The difference between the fair value and the principal amount of the loans is treated as Government grant and deferred over the period of the loans. The deferred Government grant is recognised as income over the periods necessary to match it on a systematic basis to the costs which it intended to compensate.

(i) Provisions

Provisions are recognised when the Group and the Parent Company have an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and able to be reliably measured.

(j) Employees' benefit liabilities

In respect of local employees in different countries in which the Group and the Parent Company operates, contributions are made in accordance with the Social Insurance Laws enacted in Oman and UAE and recognised as an expense in profit or loss as incurred.

For expatriate employees, accrual are made for amounts payable under the Labour Laws prevalent in Oman, UAE, India and Iraq, based on the employees' accumulated periods of service at the consolidated and separate statement of financial position date. These accruals are classified as a non-current liabilities.

Employee entitlements to annual leave and leave passage are recognised when they accrue to the employees and an accrual is made for the estimated liability arising as a result of services rendered by employees up to the consolidated and separate statement of financial position date. These accruals are included in current liabilities.

4 Material accounting policy information (continued)

(k) Revenue recognition

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group 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 Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group and the Parent Company 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 Group and the Parent Company performs under the contract.

Dividend, interest and other income

Interest income is recognised using the effective interest rate (EIR).

The EIR is the rate that exactly discounts estimated future receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.

Dividend income is recognised when the right to receive payment is established.

Brokerage revenue is recognised on completion of the deal.

Net income from financial instruments at fair value through profit and loss includes all realised and unrealised fair value changes and foreign exchange differences, interest and dividend income, including dividend expense on securities sold short.

(l) Directors' remuneration

The Directors' remuneration is governed as set out in the Memorandum of Association of the Group, the Commercial Companies Law issued by the Ministry of Commerce, Industry and Investment Promotion and Regulations issued by the Capital Market Authority.

(m) Dividend distribution

Dividends are recommended by the Board of Directors after considering the profit available for distribution and the Parent Company's future cash requirements and are subject to approval by the shareholders at the Annual General Meeting. Dividends are recognised as a liability in the consolidated and separate financial statements in the period in which they are approved by the Board of Directors.

(n) Bank borrowings

Bank borrowings are recognised initially at fair value, net of transaction costs incurred. Such liabilities are subsequently stated at amortised cost using effective interest rate method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated and separate statement of profit or loss and other comprehensive income over the period of the borrowings using the EIR method.

(o) Borrowing costs

Borrowing costs are expensed in the period in which they are incurred. However borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the asset till such time as the asset is put to commercial use. Thereafter all borrowings costs are expensed. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

(p) Foreign currencies transactions

Foreign currency transactions are accounted for at the rates of exchange prevailing at the dates of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation, at the year-end rates, of monetary assets and liabilities denominated in foreign currencies, are recognised in profit or loss. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange prevailing at the end of the year. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date when the carrying value was determined.

4 Material accounting policy information (continued)

(q) Income tax

Income tax is provided for in accordance with the fiscal regulations of the Sultanate of Oman.

Income tax on the results for the year comprises current and deferred tax. Current tax is the expected tax payable on the taxable income for the year, using tax-rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of the previous year.

Deferred taxation is provided on all temporary differences at the reporting date. It is calculated adopting a tax-rate that is the rate that is expected to apply to the periods when it is anticipated the liabilities will be settled, and which is based on tax-rates (and laws) that have been enacted at the consolidated and separate statement of financial position date.

A deferred tax asset is recognised only to the extent it is probable that future taxable profit will be available against which the asset can be utilised and is subsequently reduced to the extent that is no longer probable that the related tax benefit will be realised.

(r) Leases - the Group and the Parent Company as a lessee

The Group and the Parent Company assesses whether a contract is or contains a lease, at the inception of the contract. The Group and the Parent Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets. For these leases, consistent with accounting policy of previous year for all operating leases, the Group and the Parent Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

(s) Determination of fair values

A number of the Group's and the Parent Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. Fair values have been determined for measurement and/or disclosure purposes based on certain methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(t) Operating segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses and whose operating results are regularly reviewed by the Board of Directors to make decisions about resources to be allocated to the segment and assess its performance.

5 Critical accounting estimates and key source of estimation uncertainty

Preparation of consolidated and separate financial statements in accordance with IFRS Accounting Standards requires the Group's and the Parent Company's management 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 consolidated and separate financial statements, and the reported amounts of revenue and expenses during the reporting period. The determination of estimates requires 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 consolidated and separate financial statements relate to:

i. Impairment reviews

IFRS Accounting Standards requires management to undertake an annual test for impairment of indefinite life assets and, for finite life assets, to test for impairment if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Impairment testing is an area involving management judgment, requiring inter-alia an assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate. In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters including management's expectations of:

5 Critical accounting estimates and key source of estimation uncertainty (continued)

i. Impairment reviews (continued)

a) growth in earnings before interest, tax, depreciation and amortisation (EBITDA), calculated as adjusted operating profit before depreciation and amortisation;
b) timing and quantum of future capital expenditure;
c) long-term growth rates; and
d) selection of discount rates to reflect the risks involved.

ii. Economic useful lives of property, plant and equipment

The Group's and the Parent Company's property, plant and equipment are depreciated on a straight-line basis over their economic useful lives. The economic useful lives of property, plant 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 Group and the Parent Company.

iii. Classification of investments

In the process of applying the Group's and the Parent Company's accounting policies, management decides on acquisition of an investment whether it should be classified as investments designated at fair value through profit or loss or through other comprehensive income. The classification of each investment reflects the management's intention in relation to each investment and is subject to different accounting treatments based on such classification.

iv. Fair valuation of investments

The Group and the Parent Company determines fair values of investments that are not quoted in active markets by using valuation techniques such as discounted cash flows and recent transaction prices. Fair value estimates are made at a specific point in time, based on market conditions and information about the investee companies. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore, cannot be determined with precision. There is no certainty about future events (such as continued operating profits and financial strengths). It is reasonably possible, based on existing knowledge, that outcomes within the next financial year that are different from assumptions could require a material adjustment to the carrying amount of the investments. In case where discounted cash flow models have been used to estimate fair values, the future cash flows have been estimated by the management based on information from and discussions with representatives of the management of the investee companies, and based on the latest available audited financial statements and un-audited management accounts.

v. Allowance for ECL on trade receivables

Loss allowances for trade receivables are based on assumptions about risk of default and expected loss rates. The Group and the Parent Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's and the Parent Company's past experience and historical data, existing market conditions as well as forward looking estimates at the end of each reporting period.

vi. Provision for slow and non-moving inventories

The Group and the Parent Company creates a provision for obsolete and slow-moving inventories. Estimates of net realisable value of inventories are based on the most reliable evidence available at the time the estimates are made. These estimates take into consideration fluctuations of price or cost directly relating to events occurring subsequent to the consolidated and separate statement of financial position date to the extent that such events confirm conditions existing at the end of the reporting period.

vii. Contingencies

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of such contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

viii. Going concern

The management of the Group and the Parent Company reviews the consolidated and separate financial position of the Group and the Parent Company 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 shareholders of the Group and the Parent Company ensure that they provide adequate financial support to fund the requirements of the Group and the Parent Company to ensure the going concern status of the Group and the Parent Company.

5 Critical accounting estimates and key source of estimation uncertainty (continued)

ix. Taxation

Uncertainties exist with respect to the interpretation of tax regulations and the amount and timing of future taxable income. Given the wide range of business relationships and nature of the existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to the assumptions, could necessitate future adjustments to taxable income and expenses already recorded. The Group and the Parent Company establishes provisions, based on reasonable estimates, for possible consequences of finalisation of tax assessments of the Group and the Parent Company. The amount of such provisions is based on various factors, such as experience of previous tax assessments and differing interpretations of tax regulations by the taxable entity and the responsible Tax Authority.

x. Fair value measurements

A number of assets and liabilities included in the Group's and the Parent Company's consolidated and separate financial statements require measurement at, and/or disclosure of, fair value. The fair value measurement of the Group's and the Parent Company's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. The classification of an item into the level 1, level 2 and level 3 hierarchy is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

6 Cash and bank balances

	2023 Group	2022 Group	2023 Parent Company	2022 Parent Company
Cash on hand	2,378	1,181	1,252	579
Call and current accounts	1,417,179	2,587,586	265,494	963,579
Expected credit loss allowance	(185)	(185)	-	-
	1,419,372	2,588,582	266,746	964,158

(a) Call accounts carry interest rates at 0.5% (2022: 0.5%) per annum.

(b) The Parent Company's bank balance includes RO 92,424 (2022: RO 92,424) held in a restricted account in lieu of unclaimed dividend.

For the purposes of the consolidated and separate statement of cash flows, cash and cash equivalents comprises of following amounts:

	2023 Group	2022 Group	2023 Parent Company	2022 Parent Company
Cash and bank balances	1,419,372	2,588,582	266,746	964,158
Bank overdrafts (Note 20)	(94,144)	(79,890)	(25,836)	(11,582)
Restricted bank balance	(92,424)	(92,424)	(92,424)	(92,424)
	1,232,804	2,416,268	148,486	860,152

7 Trade and other receivables

	2023 Group	2022 Group	2023 Parent Company	2022 Parent Company
Trade receivables	1,207,961	1,345,144	-	-
Amounts due from a related party (Note 34)	70,019	25,811	-	-
Allowance for expected credit loss	(83,900)	(148,394)	-	-
Total trade receivables (A)	1,194,080	1,222,561	-	-
Other receivables	180,388	329,139	178,822	311,256
Allowance for expected credit loss	(118,586)	(118,586)	(118,586)	(118,586)
Total other receivables (B)	61,802	210,553	60,236	192,670
Prepaid expenses (C)	51,830	54,416	14,740	13,996
Total (A+B+C)	1,307,712	1,487,530	74,976	206,666

(a) The movement in allowance for expected credit allowance for trade and other receivables is analysed as follows:

	2023 Group	2022 Group	2023 Parent Company	2022 Parent Company
At 1 January	266,980	418,388	118,586	249,461
Reversed during the year	(8,400)	(151,408)	-	(130,875)
Written-off during the year	(56,094)	-	-	-
At 31 December	202,486	266,980	118,586	118,586

(b) As at 31 December 2023, trade receivables of the Group amounting to RO 83,900 (2022: RO 148,394) were assessed as impaired and fully provided for.

(c) The fair values of trade and other receivables approximate their carrying values. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above.

8 Financial assets at fair value through profit or loss

The movement in financial assets at fair value through profit or loss during the year is as follows:

	2023 Group	2022 Group	2023 Parent Company	2022 Parent Company
At 1 January	14,641,548	20,481,259	10,883,176	16,651,253
Purchases during the year	3,383,263	2,005,053	1,089,546	-
Sales during the year	(2,751,608)	(8,322,400)	(1,003,251)	(6,559,920)
Unrealised fair value (loss)/gain during the year	(541,692)	477,636	(593,504)	791,843
At 31 December	14,731,511	14,641,548	10,375,967	10,883,176
Realised gains on sale of investments	477,867	2,167,844	293,514	2,072,147

(a) The financial assets at fair value through profit or loss are denominated in the following currencies:

	2023 Group	2022 Group	2023 Parent Company	2022 Parent Company
Omani Rials	10,505,515	10,726,619	9,383,673	9,540,828
UAE Dirhams	1,774,247	2,192,439	992,294	1,342,348
Saudi Rials	1,125,629	1,301,281	-	-
Qatari Rials	288,475	335,113	-	-
Kuwaiti Dinars	76,925	85,422	-	-
Others	960,720	674	-	-
	14,731,511	14,641,548	10,375,967	10,883,176

(b) A detailed sector wise analysis of financial assets at fair value through profit or loss is disclosed under Note 9.

(c) Financial assets at fair value through profit or loss of RO 5,488,349 (2022: RO 4,836,309) are pledged by the Parent Company with commercial banks as security against credit facilities provided (Notes 20 and 22).

9 Investments analysis

The following tables provide, the Group's and the Parent Company's investments in equity securities comprising of financial assets at fair value through profit or loss.

(a) Details where the holding of the Group and the Parent Company is 10% or more of the market value of its investment:

	% of investment portfolio	Number of securities	Carrying and fair value	Original cost
Group - local quoted				
31 December 2023				
Bank Muscat SAOG	16	19,177,370	5,062,826	2,812,323
31 December 2022				
Bank Muscat SAOG	17	18,377,370	5,053,777	2,134,017
Parent - local quoted				
31 December 2023				
Bank Muscat SAOG	18	19,177,370	5,062,826	2,812,323
31 December 2022				
Bank Muscat SAOG	18	18,377,370	5,053,777	2,134,017

9 Investments analysis (continued)

(b) Details where the holdings of the Group and the Parent Company is 10% or more of the investee company's share capital:

	Holding %	Number of securities	Carrying and fair value	Original cost
Group - local quoted				
31 December 2023				
Computer Stationery Industry Company SAOG	14	1,443,710	375,365	468,504
National Aluminium Products Company SAOG	13	1,139,364	51,271	455,746
			426,636	924,250
31 December 2022				
Computer Stationery Industry Company SAOG	14	1,443,710	375,365	468,504
National Aluminium Products Company SAOG	13	4,462,500	348,075	852,792
			723,440	1,321,296

Sector wise investment of financial asset at fair value through profit or loss is as follows:

	2023		2022	
	Fair value	Original cost	Fair value	Original cost
Group				
Local quoted investments:				
Banking and investment sector	6,134,995	3,218,818	6,336,146	2,723,702
Manufacturing sector	684,842	1,081,630	1,372,511	2,961,718
Services and other sectors	784,369	859,230	132,610	326,196
	7,604,206	5,159,678	7,841,267	6,011,616
Overseas quoted investments:				
Banking and investment sector	1,616,592	1,488,486	1,378,320	1,434,599
Manufacturing sector	1,547,917	1,234,939	1,523,504	960,249
Services and other sectors	954,170	993,080	797,796	1,004,206
	4,118,679	3,716,505	3,699,620	3,399,054
Local unquoted investments:				
Banking and investment sector	611,601	553,459	559,565	501,423
Manufacturing sector	2,289,708	2,320,879	2,325,787	2,385,641
	2,901,309	2,874,338	2,885,352	2,887,064
Overseas unquoted investment:				
Banking and investment sector	107,317	266,985	215,309	534,791
	107,317	266,985	215,309	534,791
Total investments	14,731,511	12,017,506	14,641,548	12,832,525

9 Investments analysis (continued)

Sector wise investment of financial asset at fair value through profit or loss is as follows (continued):

	2023		2022	
	Fair value	Original cost	Fair value	Original cost
Parent Company				
Local quoted investments:				
Banking and investment sector	5,758,624	2,843,273	5,761,524	2,164,967
Manufacturing sector	524,496	920,656	1,329,655	2,910,851
Services and other sectors	778,883	853,715	127,979	321,014
	7,062,003	4,617,644	7,219,158	5,396,832
Overseas quoted investments:				
Banking and investment sector	-	-	-	-
Services and other sectors	884,977	514,862	1,127,713	514,862
	884,977	514,862	1,127,713	514,862
Local unquoted investments:				
Banking and investment sector	308,142	250,000	308,142	250,000
Manufacturing sector	2,013,528	2,064,282	2,013,528	2,064,282
Services and other sectors	-	-	-	-
	2,321,670	2,314,282	2,321,670	2,314,282
Overseas unquoted investments:				
Banking and investment sector	107,317	266,985	214,635	533,970
	10,375,967	7,713,773	10,883,176	8,759,946

10 Investment in equity accounted investees

The movement in investment in equity accounted investees during the year is as follows:

	2023 Group	2022 Group	2023 Parent Company	2022 Parent Company
At 1 January	**15,798,771**	16,100,248	**14,231,630**	14,110,382
Share of profit/(loss) for the year	**948,346**	(65,290)	**682,315**	272,533
Dividend received	**(302,573)**	(236,187)	**(302,573)**	(151,285)
At 31 December	**16,444,544**	15,798,771	**14,611,372**	14,231,630

(a) The carrying amount of investment in equity accounted investees includes unimpaired goodwill amounting to RO 3,704,608 (2022: RO 3,704,608).

10 Investment in equity accounted investees (continued)

	Oman Hotels and Tourism Company SAOC		Oman Fiber Optics Company SAOC		Total	
	2023	2022	2023	2022	2023	2022
Assets						
Cash and bank balances	65,399	40,510	3,848,412	2,284,224	3,913,811	2,433,218
Investments	20,183,539	19,918,285	-	-	20,183,539	23,712,105
Other assets	19,194,858	19,187,873	23,808,942	21,872,477	43,003,800	41,419,790
	39,443,796	39,146,668	27,657,354	24,156,701	67,101,150	67,565,113
Total liabilities	(12,055,440)	(11,871,145)	(8,954,120)	(7,093,820)	(21,009,560)	(18,988,733)
Net assets	27,388,356	27,275,523	18,703,234	17,062,881	46,091,590	48,576,380
Net revenue	2,308,197	2,402,582	20,873,587	18,539,150	23,181,784	20,941,732
Investment and other income	818,481	574,828	156,029	75,572	974,510	(181,821)
Expenses	(2,824,580)	(3,248,824)	(18,017,695)	(16,764,938)	(20,842,275)	(20,135,872)
Profit/ (loss) before tax	302,098	(271,414)	3,011,921	1,849,784	3,314,019	624,039
Income tax	(189,265)	109,775	71,456	(305,479)	(117,809)	(195,704)
Net profit/ (loss) after tax and total comprehensive income /(loss) for the year	112,833	(161,639)	3,083,377	1,544,305	3,196,210	428,335

10 Investment in equity accounted investees (continued)

	Oman Hotels and Tourism Co SAOC		Oman Fiber Optics Co SAOC		Total	
	2023	2022	2023	2022	2023	2022
At 1 January *	21,906,233	22,067,872	17,062,881	16,240,088	38,969,114	43,977,095
Profit /(loss) for the year	112,833	(161,639)	3,083,377	1,544,305	3,195,210	428,335
Dividends paid	-	-	(1,443,024)	(721,512)	(1,443,024)	(965,435)
At 31 December	22,019,066	21,906,233	18,703,234	17,062,881	40,722,300	38,969,114
Holding - %	31.72%	31.72%	20.97%	20.97%		
- RO	6,985,078	6,949,284	3,921,686	3,577,738	10,906,764	10,527,022
Goodwill	2,713,227	2,713,227	991,381	991,381	3,704,608	3,704,608
Carrying value	9,698,305	9,713,787	4,913,067	4,569,119	14,611,372	14,231,630
Cost of investments	5,328,367	5,328,367	2,742,573	2,742,573	8,070,940	8,070,940
Dividends received	-	-	302,602	151,286	302,602	151,286
Share of results	35,791	(51,272)	646,584	323,841	682,375	272,569

* Opening net assets of Oman Hotels and Tourism Company SAOC does not include RO 5,310,244 relating to a revaluation of the assets carried in its books which are now revalued at RO 5,321,948. (Note 19)

11 Investment in subsidiaries

	Holding %	Cost	Impairment allowance	Revised cost	Opening carrying value	Share of results	Closing carrying value
31 December 2023							
Omani Euro Food Industries Company SAOG	80.84	1,616,747	1,616,747	-			
The Financial Corporation Company SAOG	51.20	5,083,591	1,383,604	3,699,987	3,596,035	256,196	3,852,231
		6,700,338	3,000,351	3,699,987	3,596,035	256,196	3,852,231
31 December 2022							
Omani Euro Food Industries Company SAOG	80.84	1,616,747	1,616,747	-	-	-	-
The Financial Corporation Company SAOG	51.20	5,083,591	1,383,604	3,699,987	3,873,243	(277,208)	3,596,035
		6,700,338	3,000,351	3,699,987	3,873,243	(277,208)	3,596,035

- The original cost of investment in The Financial Corporation Company SAOG (the FINCORP) amounting to RO 5,083,591 includes goodwill of RO 1,383,604 which has been fully impaired and recognised in the consolidated and separate statement of profit or loss account in the previous years. The original cost of investment in Omani Euro Food Industries Company SAOG amounting to RO 1,616,747 has been fully impaired and recognised in the consolidated and separate statement of profit or loss in the previous years.

- The Parent Company has pledged partially its investment in subsidiaries with commercial banks against credit facilities provided by them (Notes 20 and 22).

11 Investment in subsidiaries (continued)

Set out below are the summarised financial information for the subsidiaries:

	The Financial Corporation Company SAOG		Omani Euro Food Industries Company SAOG		Total	
	2023	2022	2023	2022	2023	2022
Summarised statement of financial position						
Assets						
Cash and bank balances	1,063,513	1,535,154	89,113	89,271	1,152,626	1,624,425
Investments	4,355,544	3,758,372	-	-	4,355,544	3,758,372
Other assets	2,912,853	2,673,841	2,969,595	3,206,958	5,882,448	5,880,799
Total assets	8,331,910	7,967,367	3,058,708	3,296,229	11,390,618	11,263,596
Total liabilities	807,806	943,661	4,579,412	4,611,091	5,387,218	5,554,752
Net assets	7,524,104	7,023,706	(1,520,704)	(1,314,862)	5,993,359	5,708,844
Share of non-controlling interest	3,671,873	3,427,672	(288,934)	(251,941)	3,382,939	3,175,731
Summarised statement of comprehensive income						
Net revenue	288,301	289,106	211,975	198,011	500,276	487,117
Investment and other income	716,611	(382,786)	34,480	17,807	751,091	(364,979)
Expenses	(487,218)	(447,629)	(452,297)	(454,208)	(939,515)	(901,837)
Profit/(loss) before tax	547,694	(541,309)	(205,842)	(238,390)	311,852	(779,699)
Income tax	(17,296)	(129)	-	-	(17,296)	(129)
Profit/(loss) after tax	500,398	(541,438)	(205,842)	(238,390)	294,556	(779,828)
Profit/(loss) attributable to the Parent	500,398	(541,438)	(205,842)	(238,390)	294,556	(779,828)

12 Financial assets at amortised cost

The Parent Company subscribed to the participating shares of a company that extended "Murhabha Finance" to a school in the UAE for a period of 6 years. Based on a back-to-back arrangement, this investment carries an average yield of 9% per annum and mature in September 2023. The returns from these investments were accounted for as dividends.

(a) The movement in investment in financial assets at amortised cost during the year is as follows:

	2023 Group	2022 Group	2023 Parent Company	2022 Parent Company
As at 1 January	2,099,271	2,109,961	2,099,271	2,109,961
Amortisation of placement fee	(5,300)	(10,690)	(5,300)	(10,690)
Redemption on maturity	(2,093,971)		(2,093,971)	
As at 31 December	-	2,099,271	-	2,099,271

- During the year, dividend earned on the above investment amounted to RO 158,378 (2022: RO 216,753).

13 Property, plant and equipment

	Building	Plant and machinery	Furniture and fixtures	Office equipment	Motor vehicles	Total
Group						
Cost						
At 1 January 2023	1,996,407	6,730,604	877,808	203,339	217,828	10,025,986
Additions during the year	-	7,121	3,636	4,642	-	15,399
Disposals	-	-	-	-	(6,451)	(6,451)
At 31 December 2023	1,996,407	6,737,725	881,444	207,981	211,377	10,034,934
Accumulated depreciation						
At 1 January 2023	1,074,813	5,526,549	766,315	183,075	217,813	7,768,565
Charge for the year	48,215	144,729	71,984	14,817	-	279,745
Disposal	-	-		-	(6,451)	(6,451)
At 31 December 2023	1,123,028	5,671,278	838,299	197,892	211,362	8,041,859
Net book value	873,379	1,066,447	43,145	10,089	15	1,993,075

	Building	Plant and machinery	Furniture and fixtures	Office equipment	Motor vehicles	Total
Cost						
At 1 January 2022	1,996,407	6,713,752	876,148	198,037	217,828	10,002,172
Additions during the year	-	16,852	1,660	5,302	-	23,814
At 31 December 2022	1,996,407	6,730,604	877,808	203,339	217,828	10,025,986
Accumulated depreciation						
At 1 January 2022	1,026,599	5,382,740	686,845	158,322	215,964	7,470,470
Charge for the year	48,214	143,809	79,470	24,753	1,849	298,095
At 31 December 2022	1,074,813	5,526,549	766,315	183,075	217,813	7,768,565
Net book value	921,594	1,204,055	111,493	20,264	15	2,257,421

(i) The property, plant and equipment of subsidiaries are mortgaged as security against Government loans and other term loans. The depreciation charge for the Group for the year has been included in cost of sales amounting to RO 182,694 (2022: RO 184,852) and administration expenses amounting to RO 97,051 (2022: RO 113,241).

13 Property, plant and equipment (continued)

	Building	Furniture and fixtures	Office equipment	Motor vehicles	Total
Parent Company					
Cost					
At 1 January 2023	**345,000**	**331,975**	**88,887**	**137,595**	**903,457**
Additions during the year	**-**	**-**	**3,557**	**-**	**3,557**
At 31 December 2023	**345,000**	**331,975**	**92,444**	**137,595**	**907,014**
Accumulated depreciation					
At 1 January 2022	**47,150**	**226,915**	**76,987**	**137,595**	**488,647**
Charge for the year	**13,800**	**66,395**	**11,889**	**-**	**92,084**
At 31 December 2023	**60,950**	**293,310**	**88,876**	**137,595**	**580,731**
Net book value	**284,050**	**38,665**	**3,568**	**-**	**326,283**

	Building	Furniture and fixtures	Office equipment	Motor vehicles	Total
Cost					
At 1 January 2022	345,000	331,975	88,516	137,595	903,086
Additions during the year	-	-	371	-	371
At 31 December 2022	345,000	331,975	88,887	137,595	903,457
Accumulated depreciation					
At 1 January 2022	33,350	160,519	56,606	137,595	388,070
Charge for the year	13,800	66,396	20,381	-	100,577
At 31 December 2022	47,150	226,915	76,987	137,595	488,647
Net book value	297,850	105,060	11,900	-	414,810

(i) The Parent Company has created a legal mortgage amounting to RO 2,600,000 relating to the head office building in favour of a commercial bank in Oman against the term loan (Note 22).

14 Right-of-use asset and lease liability

The carrying amount of right-of-use asset recognised and the movements during the year are as follows:

	Group 31 December 2023	Group 31 December 2022
As at 1 January	385,565	43,577
Adjustment due to modification in lease	-	355,283
Amortisation	(13,295)	(13,295)
As at 31 December	372,270	385,565

Lease liability is presented in the Group's consolidated statement of financial position as follows:

	31 December 2023	31 December 2022
Current	17,621	18,570
Non-current	382,994	381,145
	400,615	399,715

Omani Euro Foods Industries SAOG (the "Subsidiary Company") has lease liability for the land obtained from Public Establishment for Industrial Estates (PEIE), Sohar. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the consolidated statement of financial position as a right-of-use asset and a lease liability.

Each lease generally imposes a restriction that, unless there is a contractual right for the subsidiary to sublet the asset to another party, the right-of-use asset can only be used by the subsidiary. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to purchase the underlying leased asset outright at the end of the lease, or to extend the lease for a further term. The subsidiary is prohibited from selling or pledging the underlying leased assets as security.

Right to use asset	No. of right of use assets leased	Range of remaining term	No. of leases with extension option	No. of leases with options to purchase	No. of lease with termination options
Land	1	29	1	-	-

	Minimum lease payments due						
	Within one year	1-2 years	2-3 years	3-4 years	4-5 years	After 5 years	Total
Lease payments	20,624	20,624	20,624	20,624	23,718	775,848	861,438
Finance charges	(2,054)	(3,903)	(3,903)	(4,757)	(6,404)	(439,802)	(460,823)
Net present value	18,570	16,721	16,721	15,867	17,314	315,422	400,615

15 Investment properties

The investment properties relating to the Group are stated at cost. The market value of these properties as at 31 December 2023 amounts to RO 3,270,000 based on independent valuation.

The fair value measurement for the investment property is measured on a recurring basis and falls within level 2 of fair value hierarchy.

The movement in the investment properties is as follows:

	2023 Group	2022 Group
At 1 January	2,950,650	3,074,850
Less: Depreciation	(124,200)	(124,200)
At 31 December	2,826,450	2,950,650

	2023 Parent	2022 Parent
At 1 January	2,680,650	2,804,850
Less: Depreciation	(124,200)	(124,200)
At 31 December	2,556,450	2,680,650

16 Deferred tax asset

(a) Deferred tax is calculated on all material temporary differences under the liability method using a principal tax rate of 15% (2022: 15%). The deferred tax pertains to FINCORP, a subsidiary which has recognised a deferred tax asset amounting to RO 61,071 (2022: RO 78,367) as at 31 December 2023 and the same is calculated on all material temporary differences under the liability method using a principal tax rate of 15%. Consequently, an amount of RO 17,296 (2022: RO 129) has been recognised in the consolidated statement of profit or loss and other comprehensive income. The deferred tax asset recognised in the Group's consolidated statement of financial position is related to the following:

	1 January	Credited / (charged) to consolidated statement of profit or loss and others comprehensive income	31 December
31 December 2023			
Deferred tax asset			
Tax effect of provisions	21,369	(9,675)	11,694
Tax effect of investments and others	(111,760)	90,348	(21,412)
Tax effect of losses	168,757	(97,969)	70,789
	78,367	(17,296)	61,071
31 December 2022			
Deferred tax asset			
Tax effect of accelerated tax depreciation	115	922	1,037
Tax effect of provisions	24,116	(2,747)	21,369
Tax effect of change in fair value of investment	(15,900)	-	(15,900)
Tax effect of unrealised gains based on unquoted investments	(18,086)	46,842	28,756
Tax effect of unrealised gains on foreign quoted investments	(127,040)	1,388	(125,652)
Tax effect of losses	215,291	(46,534)	168,757
	78,496	(129)	78,367

17 Share capital

	2023	2022
Authorised - 200,000,000 shares of RO 0.100 each	20,000,000	20,000,000
Issued and paid-up share capital - 121,875,000 shares of RO 0.100 each	12,187,500	12,187,500

Shareholders of the Parent Company who own 10% or more of the shares, whether in their name, or through a nominee account, and the number of shares they hold are as follows:

	%	2023 Number of shares	2022 Number of shares
Abu Dhabi Investment Company, UAE	30.00	36,562,500	36,562,500
Al Khonji Investments LLC and Group, Oman	21.44	26,137,533	25,791,833

18 Legal reserve

In accordance with the Commercial Companies Law and Regulations of the Sultanate of Oman, annual appropriations of 10% of the net profit for the year are made to this reserve until the accumulated balance of the reserve is equal to one-third of the value of the Parent Company's paid-up share capital. This reserve is not available for distribution.

19 Revaluation reserve

In accordance with the Group's policy, the items of property, plant and equipment of the Group and the Parent Company have been stated at cost less accumulated depreciation and any impairment in these consolidated and separate financial statements. In case where either an associate or a subsidiary of the Group carry any items of property, plant and equipment at a revalued amount in their respective stand-alone financial statements, the Group's or the Parent Company's share of the revaluation surplus or loss is not accounted for in these consolidated and separate financial statements.

The Group's share of revaluation surplus or loss on property, plant and equipment of its subsidiaries or equity accounted investees, not accounted for in these consolidated and separate financial statements in accordance with the Group's policy, is as follows:

	2023 Group	2022 Group
Equity accounted investees	1,688,274	1,684,561

20 Bank overdrafts

	2023 Group	2022 Group	2023 Parent Company	2022 Parent Company
Banks in Oman (Note a)	94,144	79,890	25,836	11,582
	94,144	79,890	25,836	11,582

(a) The Group's and the Parent Company's Omani Rial overdraft facilities carry effective annual interest rates ranging from 6.00% to 6.50% (2022: 6.00% to 6.50%) per annum. The overdraft is secured by pledge over the Parent Company's certain financial assets and investments in subsidiaries (Notes 8, 10 and 11).

21 Trade and other payables

	2023 Group	2022 Group	2023 Parent Company	2022 Parent Company
Other payables and accruals (Note a)	1,025,871	1,685,471	173,900	648,412
Interest payables	373,242	374,371	373,242	374,371
Accounts payable	238,208	256,568	23,089	20,183
Due to Directors	112,535	89,165	73,465	75,800
Employees end-of-service benefits (Note b)	143,371	133,322	18,764	11,988
Unclaimed dividends	92,424	92,424	92,424	92,424
Contract liabilities	10,039	10,097	-	-
Amounts due to related parties	20,222	7,874	3,347	-
Provision for income tax	7,614	7,614	-	-
	2,023,526	2,656,906	758,231	1,223,178

(a) During 2020, the former CEO of the Parent Company filed a complaint with the Ministry of Manpower claiming an amount of RO 1,006,000 as compensation for loss of wages and unfair dismissal. The Ministry of Manpower transferred the case to the Primary Court of Muscat and the legal process moved from the Primary Court to the Appeal Court and finally to the Supreme Court on 12 December 2021.

The final verdict was issued by the Supreme Court on 30th January 2023 ruling a settlement of RO 396,746 plus RO 12,441. During the year, the Company settled the claim in full as per the court's orders.

(b) The movements for employees end-of-service benefits for the year is as follows:

	2023 Group	2022 Group	2023 Parent Company	2022 Parent Company
At 1 January	133,322	259,742	11,988	126,029
Charge for the year (Note 27)	24,606	22,797	6,776	10,116
Paid during the year	(14,557)	(149,217)	-	124,157)
At 31 December	143,371	133,322	18,764	11,988

22 Term loans

	2023 Group	2022 Group	2023 Parent Company	2022 Parent Company
Banks in Oman (Note a)	2,629,917	2,121,833	2,629,917	2,121,833
	2,629,917	2,121,833	2,629,917	2,121,833

(a) The Group and the Parent Company's term loans carry effective annual interest rates ranging from 6.25% to 7% (2022: 5% to 6,25%) per annum.

(b) The maturity period of the term loans is as follows:

	2023 Group	2022 Group	2023 Parent Company	2022 Parent Company
Due after one year	1,521,917	1,147,801	1,521,917	1,147,801
	2,629,917	2,121,833	2,629,917	2,121,833

(c) The movement in term loans during the year is as follows:

	2023 Group	2022 Group	2023 Parent Company	2022 Parent Company
At 1 January	2,121,833	3,100,810	2,121,833	3,100,810
Availed during the year	1,076,084	67,211	1,076,084	67,211
Repayment during the year	(568,000)	(1,046,188)	(568,000)	(1,046,188)
At 31 December	2,629,917	2,121,833	2,629,917	2,121,833

(d) The term loan is secured against pledge of certain assets (Notes 8, 10, 11, 13 and 15).

23 Loans from Government

	2023 Group	2022 Group	2023 Parent Company	2022 Parent Company
Loans from Government availed by:				
-Parent Company	5,000,000	7,500,000	5,000,000	7,500,000
-Omani Euro Food Industries Company SAOG	3,653,000	3,653,000	-	-
	8,653,000	11,153,000	5,000,000	7,500,000
Less: deferred Government grant relating to:				
-Parent Company	(351,474)	(691,880)	(351,474)	(691,880)
-Omani Euro Food Industries Company SAOG	-	-	-	-
	(351,474)	(691,880)	(351,474)	(691,880)
	8,301,526	10,461,120	4,648,526	6,808,120

(i) The maturity period of the loans from Government is as follows:

	2023 Group	2022 Group	2023 Parent Company	2022 Parent Company
Within 1 year	3,500,000	3,500,000	2,500,000	2,500,000
Within 1 - 2 years	3,000,000	3,000,000	2,500,000	2,500,000
Within 2 - 5 years	2,153,000	4,653,000	-	2,500,000
Total	8,653,000	11,153,000	5,000,000	7,500,000

(a) In 2001, the Parent Company received interest-free loans of RO 7,500,000 each from the Government of Oman and the UAE. The loan was initially repayable in 6 annual instalments commencing from November 2021. However, further extension was granted, and repayment of loan was expected to commence from March 2022. Partial repayment of the first instalments amounting to RO 1.2 million was made on 31 May 2022 and full repayment of the balance outstanding of the first and second instalments totalling RO 3.8 million was made on 28 June 2022 and the third instalments in November 2022. During the year, the Company settled the fourth instalment of RO 2.5 million on time, in November 2023, and is now aligned with the repayment schedule.

(b) The loans obtained by Omani Euro Food Industries Company SAOG were arranged through a bank on behalf of the Government of Oman. In the year 2021, the repayment schedule of the Government soft loans was revised as agreed with the Government of the Sultanate of Oman. These carry an interest of 3% per annum. These loans are secured by a registered mortgage of the subsidiary's property, plant and equipment in favour of the commercial bank disbursing the soft loans.

24 Interest income

	2023 Group	2022 Group	2023 Parent Company	2022 Parent Company
Others	257	10,984	257	10,984

25 Gross profit on sale of food products

The gross profit on sale of food products is arrived at as follows:

	2023 Group	2022 Group
Revenue	1,945,980	2,194,950
Cost of sales	(1,734,005)	(1,996,939)
Gross profit	211,975	198,011

26 Other income

	2023 Group	2022 Group	2023 Parent Company	2022 Parent Company
Miscellaneous income	56,832	110,810	1,737	41,010

27 Staff costs

	2023 Group	2022 Group	2023 Parent Company	2022 Parent Company
Salaries and benefits	744,066	758,959	328,920	337,039
Employees end-of-service benefits (Note 21)	24,606	22,797	6,776	10,116
Post employees benefits	12,729	28,274	12,729	12,442
	781,401	810,030	348,425	359,597

28 Administrative expenses

	2023 Group	2022 Group	2023 Parent Company	2022 Parent Company
Depreciation (Note 13)	221,251	237,441	216,284	224,776
Other expenses	124,463	132,709	13,142	14,418
Legal and professional fees	104,552	94,670	37,627	44,144
Securities market fees and charges	80,410	45,322	44,156	21,736
Repairs and maintenance expenses	51,728	55,889	24,750	24,248
Directors' sitting fees (Note 34)	51,100	61,500	17,400	19,200
Electricity and water expenses	22,933	14,455	15,800	7,266
Postage, fax and telephone expenses	20,825	24,409	6,028	6,900
Insurance expenses	19,735	18,756	4,327	4,305
Rent expenses	19,029	19,029	2,229	2,229
Travelling expenses	11,463	6,977	4,948	5,109
Advertisement and promotion expenses	5,839	5,820	3,397	4,457
General meeting expenses	5,665	6,495	5,665	6,495
	738,993	723,472	395,753	385,283

29 Investment related expenses

	2023 Group	2022 Group	2023 Parent Company	2022 Parent Company
Brokerage expenses	6,552	11,288	6,552	11,288
Amortisation of placement charges	5,301	10,690	5,301	10,690
	11,853	21,978	11,853	21,978

30 Taxation

(a) The tax authorities in Oman follow the legal entity concept. There is no concept of Group taxation in Oman.

(b) The tax assessment for the Parent Company has been completed up to the tax year 2017. The Parent Company does not expect to have any material impact for unassessed tax years.

(c) For the year 2022, RO Nil provision for taxation is recognised in the separate financial statements of the Parent Company, since the Parent Company has sufficient brought forward losses to offset against taxable income.

Furthermore, deferred tax asset is not recognised on brought forward tax losses, since management anticipates that future taxable profits may not be sufficient to adjust any deferred tax asset prior to expiry of tax losses for next 5 years.

(d) For Omani Euro Food Industries Company SAOG, no provision for taxation has been made as this subsidiary incurred losses in the current and previous years.

(e) For FINCORP, no provision for taxation has been made as this subsidiary has incurred losses in the current and previous years.

31 Trust accounts

One of the subsidiary's fiduciary activities consist of investment management activities conducted as trustee and manager for a number of investment funds and individuals. The aggregate amounts of customers' securities held with the subsidiary under trust account agreements or under safe custody are as follows:

	2023 Group	2022 Group
Amounts held in:		
Non-discretionary trust accounts	69,770	2,365,118
Discretionary trust accounts	2,053,034	118,131
	2,122,804	2,483,249

32 Earnings per share

Basic and dilutive earnings per share is calculated by dividing the net (loss)/profit for the year by the weighted average number of shares of the Parent Company outstanding during the year as follows:

	2023 Group	2022 Group	2023 Parent Company	2022 Parent Company
Net profit for the year attributable to equity holders of the Parent Company (RO)	179,933	2,084,274	346,334	2,276,986
Weighted average number of shares outstanding during the year	121,875,000	121,875,000	121,875,000	121,875,000
Earnings per share (RO)	0.001	0.017	0.003	0.019

33 Net assets per share

Net assets per share is calculated by dividing the shareholders' funds at the end of the year by the weighted average number of shares issued and outstanding as follows:

	2023 Group	2022 Group	2023 Parent Company	2022 Parent Company
Net assets	22,420,722	23,156,885	23,650,041	24,219,803
Weighted average number of ordinary shares issued and outstanding during the year (number)	121,875,000	121,875,000	121,875,000	121,875,000
Net assets per share	0.184	0.190	0.194	0.199

34 Related party transactions and balances

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. Related parties represent subsidiaries, associated companies, major shareholders, directors and key management personnel of the Parent Company, and companies of which they are principal owners.

(a) Transactions with related parties included in the consolidated and separate statement of profit or loss are as follows:

	2023 Group	2022 Group	2023 Parent Company	2022 Parent Company
Sales and income:				
- Through associated companies	371,901	74,778	-	74,778
- Other related parties	643,507	35,040	-	35,040
	1,015,408	109,818	-	109,818
Purchases and expenses				
- Directors and key management personnel	532,548	523,550	345,643	523,550
- Other related parties	1,856,037	462,586	-	462,586
	2,388,585	986,136	345,643	986,136

(b) Amount due from a related party is as follows:

	2023 Group	2022 Group	2023 Parent Company	2022 Parent Company
Associate company	70,019	25,811	-	-
	70,019	25,811	-	-

(c) Amounts due to related parties are as follows:

	2023 Group	2022 Group	2023 Parent Company	2022 Parent Company
Directors	112,535	88,044	73,465	75,800
Others	16,875	8,995	-	-
	129,410	97,039	73,465	75,800

(d) The remuneration of directors and other members of key management during the year was as follows:

	2023 Group	2022 Group	2023 Parent Company	2022 Parent Company
Directors' sitting fees (Note 28)	98,000	61,500	17,400	19,200
Directors' remuneration (Note 28)	51,100	75,000	68,000	75,000
Key management personnel				
- Short-term benefits	372,906	365,991	256,216	263,788

35 Segmental information

Management has determined the operating segments based on the reports reviewed by the Investment Committee that are used to make strategic decisions.

The Investment Committee considers the business as two sub portfolios. These sub portfolios consist of investments in Oman and in United Arab Emirates.

The reportable operating segments derive their income by seeking investments/funds to achieve targeted returns consummated with an acceptable level of risk within each portfolio. These returns consist of interest, dividends and gains on the appreciation in value of investments.

The segment information provided to Investment Committee for the reportable segments is as follows:

The Group operates in the investment industry. The Group's operating revenues arise primarily from investment activities. The Group operates in two geographic locations; the Sultanate of Oman and the United Arab Emirates. The analysis of income, expenses, profits and assets and liabilities is based primarily upon the location of the activity responsible for reporting the results.

	Oman		UAE		Total	
	2023	2022	2023	2022	2023	2022
Group						
A: Segment Results						
Sales	**1,945,980**	2,194,950	-	-	**1,945,980**	2,194,950
Less: cost of sales	**(1,734,005)**	(1,996,939)	-	-	**(1,734,005)**	(1,996,939)
Gross profit	**211,975**	198,011	-	-	**211,975**	198,011
Investment income	**706,180**	3,357,363	**(26,225)**	41,809	**679,957**	3,399,172
Interest income	**257**	10,984	-	-	**257**	10,984
Management fees	**133,305**	120,140	-	-	**133,305**	120,140
Brokerage income	**154,996**	168,966	-	-	**154,996**	168,966
Other income	**201,070**	365,078	-	-	**201,070**	365,078
Share of results from equity accounted investees	**948,346**	(65,291)	-	-	**948,346**	(65,291)
Total income	**2,356,129**	4,155,251	**(26,225)**	41,809	**2,329,904**	4,197,060
Interest expense	**(150,793)**	(192,911)	**(146,877)**	(326,838)	**(297,670)**	(519,749)
Depreciation and amortisation	**(221,251)**	(237,441)	**(5,301)**	(10,690)	**(226,552)**	(248,131)
Impairment of Receivable/payable	**-**	(272,337)	**-**	-	**-**	(272,337)
Other expenses	**(1,374,879)**	(1,353,728)	**(28,814)**	(28,620)	**(1,403,693)**	(1,382,348)
Reportable segment profit/(loss) before tax	**609,206**	2,098,834	**(207,217)**	(324,339)	**401,989**	1,774,495
B: Segment Assets:						
Investment in equity accounted investees	**16,444,544**	15,798,771		-	**16,444,544**	15,798,771
Other investments	**13,739,217**	13,299,200	**992,294**	3,441,620	**14,731,511**	16,740,820
Other assets	**8,319,105**	9,802,243	**107,255**	402,127	**8,426,360**	10,204,370
Total segment assets	**38,502,866**	38,900,214	**1,099,549**	3,843,747	**39,602,414**	42,743,961
Total segment liabilities	**11,015,105**	12,329,770	**2,786,098**	4,081,574	**13,801,202**	16,411,344

36 Commitments and contingencies

(a) There are no capital commitments outstanding at year end.

(b) Guarantees:

	Group	
	2023	2022
Bank guarantees	**15,000**	15,000

(c) During the year, the subsidiary - FINCORP has appointed an independent consultant to review and assess the impact of discrepancies in the brokerage accounts. The process of substantiating the accuracy of account balances has been initiated and is expected to be completed during the year 2024. The potential impact (if any) cannot be reliably measured, until the investigation is completed.