Oman and Emirates Investment Holding Company SAOG

Consolidated and separate financial statements for the year ended 31 December 2024

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Oman and Emirates Investment Holding Company SAOG
Administration and contact details as at 31 December 2024

Commercial Registration Number	1411411	
VAT Registration Number	OM1100092401	
Board of Directors	Mr. Mohammed Abdulla Mohamed Al Khonji	Chairperson
	Dr. Abdullah Masoud Humaid Al Harthy	Vice - Chairman
	Mr. Khalid Masud Ansari	Member
	Mr. Majid Akbar Qamarudeen (upto 30 October 2024)	Member
	Mr. Abdul Aziz Masoud Humaid Al Harthy	Member
	Mr. Hassan Sadek Abdowani (From 18 December 2024)	Member
Audit Committee	Mr. Khalid Masud Ansari	Chairman
	Mr. Majid Akbar Qamarudeen (upto 30 October 2024)	Member
	Mr. Abdul Aziz Masoud Humaid Al Harthy	Member
	Mr. Hassan Sadek Abdowani (From 18 December 2024)	Member
Nomination and Remuneration Committee	Dr. Abdullah Masoud Humaid Al Harthy	Chairperson
	Mr. Mohamed Abdulla Mohamed Al Khonji	Member
	Mr. Majid Akbar Qamarudeen (upto 30 October 2024)	Member
	Mr. Abdul Aziz Masoud Humaid Al Harthy (from 31 October 2024)	Member
Executive Management	Raffy Manoug Kozadjian	Acting Chief Executive Officer
	Shah Abbas Jaffer Rizvi	Financial Controller
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, UAE	
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 - Parent Company

We have audited the separate financial statements of Oman and Emirates Investment Holding Company SAOG ("the Parent Company"), which comprise the separate statement of financial position as at 31 December 2024, the separate statement of profit or loss and other comprehensive income, the separate statement of changes in shareholders' equity and the separate statement of cash flows for the year then ended, and notes to the seperate financial statements, including material accounting policy information.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion - Parent Company* section of our report, the accompanying separate financial statements present fairly, in all material respects, the separate financial position of the Parent Company as at 31 December 2024, and its separate financial performance and its separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Disclaimer of Opinion - Group

We were engaged to audit the consolidated financial statements of the Parent Company and its subsidiaries (collectively referred to as "the Group"), which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in shareholders' equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

We do not express an opinion on the accompanying consolidated financial statements of the Group. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion - Group* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

Basis for Qualified Opinion - Parent Company

As described in Note 13 to the separate financial statements, the Parent Company has an investment in a subsidiary, The Financial Corporation Company SAOG (Fincorp), which is equity-accounted and carried at RO 3.63 million as at 31 December 2024 and the Parent Company's share of Fincorp's net loss of RO 0.21 million which is included in the separate statement of profit or loss for the year then ended. The financial statements of Fincorp were audited by another auditor who expressed a *Disclaimer of Opinion* on those financial statements due to the reasons mentioned in *Basis of Disclaimer of Opinion - Group* section of our report.

As a result, we were unable to obtain sufficient appropriate audit evidence regarding the carrying amount of the investment in Fincorp as at 31 December 2024 of RO 3.63 million and the share of net loss of RO 0.21 million for the year then ended. Consequently, we were unable to determine whether any adjustments to these amounts were considered necessary.

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Basis for Qualified Opinion - Parent Company (continued)

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 Separate Financial Statements - Parent Company* section of our report. We are independent of 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), as applicable to audits of the financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in the Sultanate of Oman. 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.

Basis for Disclaimer of Opinion - Group

The Group's total assets of RO 39.55 million, total liabilities of RO 13.68 million and total equity of RO 25.87 million includes Fincorp's total assets of RO 8.50 million, total liabilities of RO 1.41 million, equity attributable to the Parent Company of RO 3.63 million, and share of non-controlling interest of RO 3.46 million as at 31 December 2024. The Group's total income of RO 2.59 million and total expenses of RO 2.52 million includes Fincorp's total income of RO 0.72 million and total expenses of RO 1.15 million. The financial statements of Fincorp were audited by another auditor who expressed a *Disclaimer of Opinion* on those financial statements due to the below reasons:

As described in Note 43 to the consolidated financial statements, during the year 2023, the subsidiary, Fincorp, identified irregularities in the brokerage division which led to an investigation by an independent consultant appointed by Fincorp's Board of Directors. The initial report of phase 1 of the investigation dated 29 September 2024 identified trade reporting discrepancies of RO 3.2 million, which the consultant has reported as having impacted both client receivables and payables.

The consultant is working with the management of Fincorp to reconcile client balances as part of phase 2 of their ongoing investigation. However, pending the completion of all client meetings, confirmations, and related reconciliations, a reliable determination of the client receivables and payables cannot be ascertained. The management of Fincorp has created a provision of RO 600,000, but uncertainty remains regarding its adequacy, and the full financial impact of the irregularities, including the recoverability of the receivables.

The irregularities also raise concerns about the accuracy of client fund segregation and securities and bank balances held on behalf of clients at the end of the reporting period. Consequently, the reliability of reported assets and liabilities at 31 December 2024 is uncertain.

As a result we were unable to determine whether any adjustments were necessary in respect of the Fincorp's total assets, total liabilities, shareholders' equity, income and expenses included in these consolidated financial statements.

Key Audit Matters - Parent Company

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

In addition to the matter described in the *Basis for Qualified Opinion - Parent Company* section of our report, we have determined the matters described below to be the key audit matters to be communicated in our report.

Valuation of unquoted investments in equity securities

As stated in Note 10 to the separate financial statements, the Parent Company values its investment in unquoted equity securities based on the valuation carried out by an independent valuer. Since the use of such a valuation model includes significant estimates and assumptions, the degree of subjectivity and complexity involved in the valuation increases to a considerable extent and, therefore, is considered as a key audit matter.

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;
- Evaluated the methodology and appropriateness of valuation techniques used by management, including reasonableness of the assumptions used in accordance with the relevant IFRS Accounting Standards;
- Used our internal valuation specialists to assess the reasonableness of the methodology used and the amounts used for valuation; and
- Assessed the adequacy of the disclosures in the separate financial statements.

Other Information

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

Our opinion on the 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 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 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 the consolidated and separate financial statements in accordance with IFRS Accounting Standards as issued by the IASB, the relevant requirements of the Financial Services Authority (FSA) 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 the consolidated and separate 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 Group and the Parent Company or to cease operations, or has 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 Separate Financial Statements - Parent Company

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

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 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 Parent Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Auditor's Responsibilities for the Audit of the Separate Financial Statements - Parent Company (continued)

- 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 Parent Company's 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 Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 separate 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.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements - Group

Our responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with International Standards on Auditing and to issue an auditor's report. However, because of the matter described in the *Basis for Disclaimer of Opinion - Group* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

We are independent of the Group 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), as applicable to audits of the consolidated financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the consolidated financial statements of public interest entities in the Sultanate of Oman. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Report on Other Legal and Regulatory Requirements

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion - Parent Company* section of our report, the separate financial statements of the Parent Company as at, and for the year ended, 31 December 2024, in all material respects, comply with the applicable provisions of the Commercial Companies Law and Regulations of the Sultanate of Oman and the relevant disclosure requirements of the FSA.

BDO

Muscat
13 March 2025

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P.O.Box: 1176
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Sultanate of Oman

Bipin Kapur
Partner
M. No: 043615
Institute of Chartered Accountants of India, New Delhi, India

Oman and Emirates Investment Holding Company SAOG
Consolidated and separate and statement of financial position as at 31 December 2024
(Expressed in Omani Rial)

	Notes	Group		Parent Company	
		31 December 2024	31 December 2023	31 December 2024	31 December 2023
ASSETS					
Cash and bank balances	7	2,155,379	1,419,372	412,139	266,746
Trade and other receivables	8	1,338,029	1,307,712	175,021	74,976
Inventories	9	292,582	446,409	-	-
Investments at fair value through profit or loss	10	13,852,346	14,731,511	10,012,944	10,375,967
Investment in associates	12	17,049,614	16,444,544	15,241,212	14,611,372
Investment in subsidiaries	13	-	-	3,630,363	3,852,231
Investment property	16	2,702,250	2,826,450	2,432,250	2,556,450
Property, plant and equipment	6	1,758,187	1,993,075	272,836	326,283
Right-of-use assets	15	358,975	372,270	-	-
Deferred tax assets	17	46,507	61,071	-	-
TOTAL ASSETS		39,553,869	39,602,414	32,176,765	32,064,025
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	18	12,187,500	12,187,500	12,187,500	12,187,500
Legal reserve	19	5,062,733	5,062,733	4,062,500	4,062,500
Retained earnings		5,533,574	5,170,489	8,101,053	7,400,041
Total capital and reserves of the Parent Company		22,783,807	22,420,722	24,351,053	23,650,041
Non-controlling interest		3,088,911	3,380,490	-	-
TOTAL CAPITAL AND RESERVES		25,872,718	25,801,212	24,351,053	23,650,041
LIABILITIES					
Lease liabilities	15	401,564	400,615	-	-
Bank borrowings	21	68,608	94,144	-	25,836
Term loan	22	2,127,371	2,629,917	2,127,371	2,629,917
Trade and other payables	25	2,430,608	2,023,526	698,341	758,231
Loan from Government	23	8,301,526	5,000,000	4,308,120	4,648,526
Deferred Government grants	23	351,474	3,653,000	691,880	351,474
TOTAL LIABILITIES		13,681,151	13,801,202	7,825,712	8,413,984
TOTAL EQUITY AND LIABILITIES		39,553,869	39,602,414	32,176,765	32,064,025
Net assets per share	36	0.187	0.184	0.184	0.200

These consolidated and separate financial statements, as set out on pages 8 to 53, were approved and authorised for issue by the Board of Directors and signed on their behalf by:

Mr. Mohammed Abdulla Mohamed Al Khonji	Dr. Abdullah Masoud Humaid Al Harthy	Raffy Manoug Kozadijan	Shah Abbas Jaffer Rizvi
Chairman	*Vice-Chairman*	*Acting Chief Executive Officer*	*Financial Controller*

Oman and Emirates Investment Holding Company SAOG

Consolidated and separate statement of profit or loss and other comprehensive income for the year ended 31 December 2024
(Expressed in Omani Rial)

	Note	Group		Parent	
		Year ended 31 December 2024	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2023
Income					
Net investment income	27	1,165,962	1,100,900	587,586	382,634
Share of profit from investment in associates	12	1,261,925	948,346	1,159,342	682,315
Share of (loss)/profit from investment in subsidiaries	13	-	-	(221,869)	256,197
Gross profit on sale of food products	28	56,290	211,975	-	-
Other income		106,339	56,832	68,000	1,737
Total income		2,590,516	2,318,053	1,593,059	1,322,883
Expenses					
Salaries and other related staff costs	30	(761,710)	(781,401)	(317,160)	(348,425)
Administrative expenses	31	(784,698)	(738,993)	(350,154)	(395,753)
Directors' remuneration	24	-	(51,100)	-	(68,000)
Provision for claims	43	(600,000)	-	-	-
Total expenses		(2,146,408)	(1,571,494)	(667,314)	(812,178)
Net income		444,108	746,559	925,745	510,705
Finance costs		(358,038)	(297,670)	(224,733)	(164,371)
Net profit before tax for the year		86,070	448,889	701,012	346,334
Income tax expense	33	(14,564)	(17,296)	-	-
Net profit after tax and total comprehensive income for the year		71,506	431,593	701,012	346,334
Net profit after tax attributable to:					
Parent Company		363,085	179,933	701,012	346,334
Non-controlling interest		(291,579)	204,760	-	-
		71,506	384,693	701,012	346,334
Earnings per share - basic and diluted	35	0.003	0.001	0.006	0.003

Oman and Emirates Investment Holding Company SAOG

Consolidated and separate statement of changes in shareholders' equity for the year ended 31 December 2024

(Expressed in Omani Rial)

		Attributable to Owners of the Parent Company					
Group	**Notes**	**Share capital**	**Legal reserve**	**Retained earnings**	**Total**	**Non-controlling interest**	**Total**
As at 31 December 2022		12,187,500	4,991,892	5,977,493	23,156,885	3,175,730	26,332,615
Net profit after tax and total comprehensive income for the year		-	-	179,933	179,933	204,760	384,693
Dividends paid	26	-	-	(916,096)	(916,096)	-	(916,096)
Transfer to legal reserve	19	-	70,841	(70,841)	-	-	-
As at 31 December 2023		12,187,500	5,062,733	5,170,489	22,420,722	3,380,490	25,801,212
Net profit after tax and total comprehensive income for the year		-	-	363,085	363,085	(291,579)	71,506
As at 31 December 2024		12,187,500	5,062,733	5,533,574	22,783,807	3,088,911	25,872,718

Oman and Emirates Investment Holding Company SAOG

Consolidated and separate statement of changes in shareholders' equity for the year ended 31 December 2024

(Expressed in Omani Rial)

Parent Company	Notes	Share capital	Legal reserve	Retained earnings	Total
As at 31 December 2022		12,187,500	4,062,500	7,969,803	24,219,803
Net profit after tax and total comprehensive income for the year		-	-	346,334	346,334
Dividends paid	26	-	-	(916,096)	(916,096)
As at 31 December 2023		12,187,500	4,062,500	7,400,041	23,650,041
Net profit after tax and total comprehensive income for the year		-	-	701,012	701,012
As at 31 December 2024		12,187,500	4,062,500	8,101,053	24,351,053

Oman and Emirates Investment Holding Company SAOG
Consolidated and separate statement of cash flows for the year ended 31 December 2024
(Expressed in Omani Rial)

		Group		Parent Company	
		Year ended 31 December 2024	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2023
Operating activities	**Notes**				
Net profit before tax for the year		86,070	448,889	701,012	346,334
Adjustments for:					
Depreciation and amortisation	6&15	374,692	422,540	177,647	221,584
Profit on sale of property, plant and equipment	6	-	(2,344)	-	-
Share of profit from investment in associates and subsidiaries	12 & 13	(1,261,925)	(948,346)	(937,473)	(938,512)
Unrealised losses on investments at fair value through profit or loss	10	17,367	541,692	92,146	593,504
Realised profit on sale of investments at fair value through profit or loss	10	(262,670)	(477,867)	(124,323)	(293,514)
Allowance for expected credit losses on trade and related party receivables	8	(1,770)	(64,494)	-	-
Provision for employee benefit liabilities	24(a)	20,404	24,606	9,433	6,776
Finance costs		358,038	297,670	224,733	164,371
		(669,794)	242,346	143,175	100,543
Inventories		153,828	9,845	-	-
Trade and other receivables		(128,528)	244,310	(100,045)	131,690
Trade and other payables		501,220	(690,329)	(69,324)	(471,722)
Cash used in operating activities		(143,274)	(193,828)	(26,194)	(239,489)
Employee benefit liabilities paid		(14,561)	(14,557)	-	-
Net cash used in operating activities		(157,835)	(208,385)	(26,194)	(239,489)
Investing activities					
Purchase of property, plant and equipment	6	(2,310)	(15,398)	-	(3,557)
Proceeds from sale of property, plant and equipment	6	-	2,344	-	-
Dividend income received from investment in associates		656,855	302,573	529,502	302,573
Proceeds from disposal of investments at fair value through profit or loss		2,107,828	3,229,474	395,200	1,296,765
Proceeds from maturity of financial assets at amortised cost		-	2,093,971	-	2,093,971
Purchase of investments at fair value through profit or loss		(983,360)	(3,383,263)	-	(1,089,546)
Net cash from investing activities		1,779,013	2,229,701	924,702	2,600,206
Financing activities					
Repayment of term loans	22	(566,568)	(568,000)	(566,568)	(568,000)
Proceeds from term loans	22	64,022	1,076,084	64,022	1,076,084
Repayment of Government soft loan	23	-	(2,500,000)	-	(2,500,000)
Dividends paid	26	-	(916,096)	-	(916,096)
Finance costs paid		(336,465)	(276,145)	(224,733)	(164,371)
Payment of lease liabilities		(20,624)	(20,624)	-	-
Net cash used in financing activities		(859,635)	(3,204,781)	(727,279)	(3,072,383)
Net change in cash and cash equivalents		761,543	(1,183,465)	171,229	(711,666)
Cash and cash equivalents, beginning of the year		1,232,804	2,416,269	148,486	860,152
Cash and cash equivalents, end of the year		1,994,347	1,232,804	319,715	148,486

Disclosure required by IAS 7, "Statement of Cash Flow" has been shown in Note 41 to the consolidated and separate financial statements.

1 Legal status and principal activities

Oman and Emirates Investment Holding Company SAOG ("the Company" or "the Parent Company") is an Omani joint stock company registered under the Commercial Companies Law and Regulations of the Sultanate of Oman. The Company's shares are listed on the Muscat Stock Exchange and is engaged in investment activities and related services. The Parent Company operates in the Sultanate of Oman and has a branch which operates under the relevant local requirements of the UAE.

The Group has the following subsidiaries and equity accounted investees:

	Country of incorporation	Shareholding percentage		Principal activities
		2024	2023	
Subsidiaries				
Omani Euro Food Industries Company SAOG	Oman	81	81	Manufacturing of baby food
The Financial Corporation Company SAOG (FINCORP) and its subsidiaries	Oman	51	51	Financial services
Equity accounted associates				
Oman Hotels and Tourism Company SAOC	Oman	32	32	Hospitality services
Oman Fiber Optic Company SAOC	Oman	21	21	Fiber optic products

The consolidated and separate financial statements as at, and for the year ended, 31 December 2024, comprise the results of the Company and its subsidiaries (together referred to as "the Group").

This consolidated and separate financial statements were approved and authorised for issue by the Board of Directors on 12 March 2025.

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), the applicable provisions of the Commercial Companies Law (CCL) and Regulations (CCR) of the Sultanate of Oman and the relevant disclosure requirements issued by the Financial Services Authority (FSA).

(b) Basis 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.

2 Basis of preparation (continued)

(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 currencies**

The consolidated and separate financial statements are presented in Omani Rials (RO) which is the functional and reporting currency for the Group and the Parent Company.

3 Adoption of significant new and revised IFRS

(a) Standards, amendments and interpretations effective and adopted in the annual period beginning on or after 1 January 2024

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 2024:

Standard or Interpretation	Title
Amendments to IFRS 16	Leases: Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-Current Liabilities with Covenants
Amendments to IAS 7	Statement of Cash Flows: Supplier Finance Arrangements
Amendments to IFRS 7	Financial Instruments: Disclosures - Supplier Finance Arrangements

IFRS 16: Lease Liability in a Sale and Leaseback

On 22 September 2022, the IASB issued amendments to IFRS 16 – Lease Liability in a Sale and Leaseback.

Prior to the amendments, IFRS 16 did not contain specific measurement requirements for lease liabilities that may contain variable lease payments arising in a sale and leaseback transaction. In applying the subsequent measurement requirements of lease liabilities to a sale and leaseback transaction, the amendments require a seller-lessee to determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

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

3 Adoption of significant new and revised IFRS (continued)

Amendments to IAS 1: Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants

The IASB issued amendments to IAS 1 in January 2020 Classification of Liabilities as Current or Non-current and subsequently, in October 2022 Non-current Liabilities with Covenants.

The amendments clarify the following:

- An entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period.
- If an entity's right to defer settlement of a liability is subject to covenants, such covenants affect whether that right exists at the end of the reporting period only if the entity is required to comply with the covenant on or before the end of the reporting period.
- The classification of a liability as current or non-current is unaffected by the likelihood that the entity will exercise its right to defer settlement.
- In case of a liability that can be settled, at the option of the counterparty, by the transfer of the entity's own equity instruments, such settlement terms do not affect the classification of the liability as current or non-current only if the option is classified as an equity instrument.

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

Amendments to IAS 7 & IFRS 7: Supplier Finance Arrangements

On 25 May 2023, the IASB issued Supplier Finance Arrangements, which amended IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures*.

The amendments require entities to provide certain specific disclosures (qualitative and quantitative) related to supplier finance arrangements. The amendments also provide guidance on characteristics of supplier finance arrangements.

The Group and the Parent Company has carried out an assessment of its contracts and operations and, concluded that, these amendments have had no effect on the consolidated and separate financial statements, regardless of the transition relief provided.

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

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

Standard or Interpretation	Title	Effective for annual periods beginning on or after
Amendments to IAS 21	The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	1 January 2025
Amendments to IFRS 9	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to IFRS 9	Contracts Referencing Nature-dependent Electricity	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027

3 Adoption of significant new and revised IFRS (continued)

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

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 of the Group and the Parent Company, except for IFRS 18.

IFRS 18 Presentation and Disclosure in consolidated and separate financial statements, which was issued by the IASB in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the consolidated and separate financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

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 otherwise stated.

(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 trasanctions and balances, income and expenses and unrealised gains and losses resulting from intra- 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.

4 Material accounting policy information (continued)

(a) **Consolidation (continued)**

(ii) **Subsidairies (continued)**

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 subsidiaries 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' equity. Gains or losses on disposals to non-controlling interests are also recorded in consolidated shareholders' 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.

(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.

4 Material accounting policy information (continued)

(a) **Consolidation (continued)**

(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 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
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.

(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. Freehold land is not depreciated as it is deemed to have an infinite life.

4 Material accounting policy information (continued)

(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 assets**

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).

4 Material accounting policy information (continued)

(e) **Financial instruments**

[A] **Financial assets**

II. Measurement (continued)

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).

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 or 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.

4 Material accounting policy information (continued)

(e) **Financial instruments (continued)**

[A] **Financial asset (continued)**

IV Impairment (continued)

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.

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) 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.

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 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.

4 Material accounting policy information (continued)

(e) **Financial instruments (continued)**

[A] Financial liabilities

The Group's and the Parent Company's financial liabilities include loan from Government, term loans, lease liabilities, bank borrowings 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.

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.

4 Material accounting policy information (continued)

(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 and restricted bank balances. 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 is 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 intend 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) Employee 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 Protections Laws enacted in Oman and UAE and recognised as an expense in profit or loss as incurred.

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

(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 the consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

4 Material accounting policy information (continued)

(k) Revenue recognition

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 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 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 Parent Company, applicable provisions of the Commercial Companies Law issued by the Ministry of Commerce, Industry and Investment Promotion and relevant Regulations issued by the FSA.

(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 shareholders'.

(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.

4 Material accounting policy information (continued)

(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.

(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.

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:

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.

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

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 Property, plant and equipment

The movement in property, plant and equipment is as set out below:

Group

2024	Buildings	Plant and machinery	Furniture and fixtures	Office equipment	Motor vehicles	Total
Cost						
At 1 January 2024	1,996,407	6,737,725	881,444	207,981	211,377	10,034,934
Additions during the year	-	-	995	1,315	-	2,310
At 31 December 2024	1,996,407	6,737,725	882,439	209,296	211,377	10,037,244
Accumulated depreciation						
At 1 January 2024	1,123,028	5,671,278	838,299	197,892	211,362	8,041,859
Charge for the year	48,215	144,729	40,772	3,482	-	237,198
At 31 December 2024	1,171,243	5,816,007	879,071	201,374	211,362	8,279,057
Net book amount						
At 31 December 2024	825,164	921,718	3,368	7,922	15	1,758,187

(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 181,427 (2023: RO 182,694) and administration expenses amounting to RO 55,771 (2023: RO 97,051).

6 Property, plant and equipment (continued)

The movement in property, plant and equipment is as set out below:

Group

2023	Buildings	Plant and machinery	Furniture and fixtures	Office equipment	Motor vehicles	Total
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 during the year	-	-	-	-	(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
Disposals during the year	-	-	-	-	(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 amount						
At 31 December 2023	873,379	1,066,447	43,145	10,089	15	1,993,075

6 Property, plant and equipment (continued)

The movement in property, plant and equipment is as set out below:

Parent Company

2024	Buildings	Furniture and fixtures	Office equipment	Motor vehicles	Total
Cost					
At 1 January 2024 and at 31 December 2024	345,000	331,975	92,444	137,595	907,014
Accumulated depreciation					
At 1 January 2024	60,950	293,310	88,876	137,595	580,731
Charge for the year	13,800	38,665	982	-	53,447
At 31 December 2024	74,750	331,975	89,858	137,595	634,178
Net book amount					
At 31 December 2024	270,250	-	2,586	-	272,836

6 Property, plant and equipment (continued)

The movement in property, plant and equipment is as set out below:

Parent Company

2023	Buildings	Furniture and fixtures	Office equipment	Motor vehicles	Total
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 2023	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 amount					
At 31 December 2023	284,050	38,665	3,568	-	326,283

7 Cash and cash equivalents

	Group		Parent Company	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Cash on hand	2,057	2,378	1,022	1,252
Cash at bank	2,153,562	1,417,179	411,117	265,494
	2,155,619	1,419,557	412,139	266,746
Expected credit loss allowance	(240)	(185)	-	-
	2,155,379	1,419,372	412,139	266,746

(a) For the purposes of the consolidated and separate statement of cash flows, cash and cash equivalents comprise the following:

	Group		Parent Company	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Cash and bank balances	2,155,379	1,419,372	412,139	266,746
Bank overdrafts	(68,608)	(94,144)	-	(25,836)
Restricted bank balances	(92,424)	(92,424)	(92,424)	(92,424)
	1,994,347	1,232,804	319,715	148,486

(b) The movement in allowance for expected credit losses on cash and bank balances is as follows:

	Group		Parent Company	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Opening balance	185	185	-	-
Allowance for the year	55	-	-	-
Closing balance	240	185	-	-

8 Trade and other receivables

	Group		Parent Company	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Trade receivables	1,247,139	1,207,961	-	-
Due from related parties (Note 24)	15,359	70,019	99,982	-
ECL allowance on trade and related party receivables	(82,130)	(83,900)	-	-
	1,180,368	1,194,080	99,982	-
Other receivables	203,831	180,388	179,355	178,822
ECL allowance on other receivables	(118,586)	(118,586)	(118,586)	(118,586)
	1,265,613	1,255,882	160,751	60,236
Prepaid expenses	72,416	51,830	14,270	14,740
	1,338,029	1,307,712	175,021	74,976

(a) The movement in ECL allowance for expected credit losses on trade and related party receivables is as follows:

	Group		Parent Company	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Opening balance	202,486	266,980	118,586	249,461
Reversal for the year	(1,770)	(8,400)	-	(130,875)
Written-off during the year	-	(56,094)	-	-
Closing balance	200,716	202,486	118,586	118,586

8 Trade and other receivables (continued)

(b) As at 31 December 2024, trade receivables of the Group amounting to RO 82,130 (2023: RO 83,900) 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.

9 Inventories

	Group		Parent Company	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Stores and spares	292,582	446,409	-	-
	292,582	446,409	-	-

10 Investments at fair value through profit or loss

(a) The movement in investments at fair value through profit or loss during the year was as follows:

	Group		Parent Company	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Opening balance	14,731,511	14,641,548	10,375,967	10,883,176
Purchases during the year	983,360	3,383,263	-	1,089,546
Sales during the year	(2,107,828)	(3,229,475)	(395,200)	(1,296,765)
Realised fair value gains on sale of investments	262,670	477,867	124,323	293,514
Unrealised fair value loss for the year	(17,367)	(541,692)	(92,146)	(593,504)
Closing balance	13,852,346	14,731,511	10,012,944	10,375,967

(b) The investments at fair value through profit or loss are denominated in the following currencies:

	Group		Parent Company	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Omani Rials	10,011,332	10,505,515	8941759	9,383,673
UAE Dirhams	1,794,329	1,774,247	1071185	992,294
Saudi Rials	642,607	1,125,629	-	-
Qatari Rials	295,832	288,475	-	-
Kuwaiti Dinars	1	76,925	-	-
Others	1,108,245	960,720	-	-
	13,852,346	14,731,511	10,012,944	10,375,967

(c) A detailed-sector wise analysis of financial assets at fair value through profit or loss is disclosed under Note 11.

(d) Investments at fair value through profit or loss of RO 4,228,654 (2023: RO 5,488,349) are pledged by the Parent Company with commercial banks as security against credit facilities provided (Notes 21 and 22).

11 Investments analysis

The following tables provide, the Group's and the Parent Company's investments in equity securities comprising of investments 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:

Group - local quoted	**% of investment portfolio**	**Number of securities**	**Carrying and fair value**	**Original cost**
31 December 2024				
Bank Muscat SAOG	16	19,177,370	4,832,697	2,812,323
31 December 2023				
Bank Muscat SAOG	16	19,177,370	5,062,826	2,812,323

Parent Company - local quoted	**% of investment portfolio**	**Number of securities**	**Carrying and fair value**	**Original cost**
31 December 2024				
Bank Muscat SAOG	16	19,177,370	4,832,697	2,812,323
31 December 2023				
Bank Muscat SAOG	18	19,177,370	5,062,826	2,812,323

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

Group - local quoted	**% of investment portfolio**	**Number of securities**	**Carrying and fair value**	**Original cost**
31 December 2024				
Computer Stationery Industry Company SAOG	14	1,443,710	375,365	468,504
National Aluminium Products Company SAOG	13	1,139,364	45,575	455,746
		2,583,074	420,940	924,250
31 December 2023				
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
		5,906,210	723,440	1,321,296

Sector-wise analysis of investment of at fair value through profit or loss is as follows:

Group	**2024**		**2023**	
	Fair value	**Original cost**	**Fair value**	**Original cost**
Local quoted				
Banking and investment	5,861,670	3,077,352	6,134,995	3,218,818
Manufacturing sector	420,939	831,110	684,842	1,081,630
Services and other sectors	791,343	788,025	784,369	859,230
	7,073,952	4,696,487	7,604,206	5,159,678

11 Investments analysis (continued)

Group

Overseas quoted

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

	2024		2023	
	Fair value	**Original cost**	**Fair value**	**Original cost**
Banking and investment	940,249	884,522	1,616,592	1,488,486
Manufacturing sector	1,736,105	1,106,578	1,547,917	1,234,939
Services and other sectors	1,079,592	1,229,458	954,170	993,080
	3,755,946	3,220,558	4,118,679	3,716,505
Local unquoted				
Banking and investment	641,351	553,459	611,601	553,459
Manufacturing sector	2,291,155	2,335,288	2,289,708	2,320,879
Others	4,874	5,174	-	-
	2,937,380	2,893,921	2,901,309	2,874,338
Overseas unquoted				
Banking and investment	85,068	266,985	107,317	266,985
	85,068	266,985	107,317	266,985
Total investment	13,852,346	11,077,951	14,731,511	12,017,506

Parent Company	2024		2023	
	Fair value	**Original cost**	**Fair value**	**Original cost**
Local quoted				
Banking and investment	5,648,502	2,868,722	5,758,624	2,843,273
Manufacturing sector	420,939	831,110	524,496	920,656
Services and other sectors	550,648	517,367	778,883	853,715
	6,620,089	4,217,199	7,062,003	4,617,644
Overseas quoted				
Services and other sectors	986,117	514,862	884,977	514,862
	986,117	514,862	884,977	514,862
Local unquoted				
Banking and investment	308,142	250,000	308,142	250,000
Services and other sectors	2,013,528	2,064,282	2,013,528	2,064,282
	2,321,670	2,314,282	2,321,670	2,314,282
Overseas unquoted				
Banking and investment	85,068	266,985	107,317	266,985
	85,068	266,985	107,317	266,985
Total investment	10,012,944	7,313,328	10,375,967	7,713,773

12 Investment in associates

	Group		Parent Company	
	31 December 2024	**31 December 2023**	**31 December 2024**	**31 December 2023**
Opening balance	16,444,544	15,798,771	14,611,372	14,231,630
Share of net profit for the year	1,261,925	948,346	1,159,342	682,315
Dividends received	(656,855)	(302,573)	(529,502)	(302,573)
Closing balance	17,049,614	16,444,544	15,241,212	14,611,372

12 Investment in associates (continued)

	Oman Hotels and Tourism Company SAOC		Oman Fiber Optics Company SAOC		Total	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**
Assets						
Cash and bank balances	17,795	65,399	5,447,307	3,848,412	5,465,102	3,913,811
Investments	20,557,382	20,183,539	-	-	20,557,382	20,183,539
Other assets	21,301,307	19,194,858	23,017,346	23,808,942	44,318,653	43,003,800
Total assets	41,876,484	39,443,796	28,464,653	27,657,354	70,341,137	67,101,150
Total liabilities	(12,871,336)	(12,055,440)	(7,218,121)	(8,954,120)	(20,089,457)	(21,009,560)
Net asset	29,005,148	27,388,356	21,246,532	18,703,234	50,251,680	46,091,590
Net revenue	1,880,037	2,308,197	24,727,853	20,873,587	26,607,890	23,181,784
Net nvestment and other income	946,728	818,481	301,826	156,029	1,248,554	974,510
Expenses	(2,492,772)	(2,824,580)	(19,065,028)	(18,017,695)	(21,557,800)	(20,842,275)
Net Profit before tax for the year	333,993	302,098	5,964,651	3,011,921	6,298,644	3,314,019
Income tax	(29,601)	(189,265)	(896,062)	71,456	(925,663)	(117,809)
Net profit after tax for the year	304,392	112,833	5,068,589	3,083,377	5,372,981	3,196,210

	Oman Hotels and Tourism Company SAOC		Oman Fiber Optics Company SAOC		Total	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**
At 1 January *	22,019,066	21,906,233	18,703,234	17,062,881	40,722,300	38,969,114
Net profit for the year	304,392	112,833	5,068,589	3,083,377	5,372,981	3,196,210
Dividends paid	-	-	(2,525,291)	(1,443,024)	(2,525,291)	(1,443,024)
At 31 December	22,323,458	22,019,066	21,246,532	18,703,234	43,569,990	40,722,300
Shareholding – %	31.72%	31.72%	20.97%	20.97%	-	-
– RO	7,081,640	6,985,078	4,454,964	3,921,686	11,536,604	10,906,764
Goodwill	2,713,227	2,713,227	991,381	991,381	3,704,608	3,704,608
Carrying value	9,794,867	9,698,305	5,446,345	4,913,067	15,241,212	14,611,372
Cost of investments	5,328,367	5,328,367	2,742,573	2,742,573	8,070,940	8,070,940
Dividends received	-	-	529,502	302,602	529,502	302,602
Share of results	96,562	35,791	1,062,780	646,584	1,159,342	682,375

* Opening net assets of Oman Hotels and Tourism Company SAOC does not include RO 5,321,948 relating to a revaluation of the assets carried in its accounting records which are now revalued at RO 6,634,348 (Note 20).

13 Investment in subsidiaries

Name of the subsidiary	**Share holding percentage**	**Cost**
Omani Euro Food Industries Company SAOG	81%	1,616,747
The Financial Corporation Company SAOG (Fincorp)	51%	5,083,591
		6,700,338

13 Investment in subsidiaries (continued)

	31 December 2024		
	Omani Euro Food Industries Company SAOG	**The Financial Corporation Company SAOG**	**Total**
Cost	1,616,747	5,083,591	6,700,338
Impairment allowance (a)	(1,616,747)	(1,383,604)	(3,000,351)
Revised cost	-	3,699,987	3,699,987
Opening carrying value	-	3,852,232	3,852,232
Share of results	-	(221,869)	(221,869)
Closing carrying value	-	3,630,363	3,630,363

	31 December 2023		
	Omani Euro Food Industries Company SAOG	**The Financial Corporation Company SAOG**	Total
Cost	1,616,747	5,083,591	6,700,338
Impairment allowance (a)	(1,616,747)	(1,383,604)	(3,000,351)
Revised cost	-	3,699,987	3,699,987
Opening carrying value	-	3,596,035	3,596,035
Share of results	-	256,197	256,196
Closing carrying value	-	3,852,232	3,852,231

(a) The original cost of investment in Fincorp amounting to RO 5,083,591 includes goodwill of RO 1,383,604 which has been fully impaired and recognised in profit or loss 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 profit or loss in the previous years.

(b) The Parent Company has partially pledged its investment in subsidiaries with commercial banks against credit facilities obtained (Note 21 and Note 22).

	Omani Euro Food Industries Company SAOG		**The Financial Corporation Company SAOG**		**Total**	
	2024	2023	2024	2023	2024	2023
Summarised statement of financial position						
Assets						
Cash and bank balances	114,244	89,113	1,628,996	1,063,513	1,743,240	1,152,626
Investments	-	-	3,839,402	4,355,544	3,839,402	4,355,544
Trade and other receivables	360,935	478,832	902,051	744,311	1,262,986	1,223,143
Investment in associates	-	-	1,808,403	1,833,172	1,808,403	1,833,172
Investment property	-	-	270,000	270,000	270,000	270,000
Other assets	2,133,560	2,490,763	49,855	65,370	2,183,415	2,556,133
Total assets	2,608,739	3,058,708	8,498,707	8,331,910	11,107,446	11,390,618

13 Investment in subsidiaries (continued)

Liabilities

	Omani Euro Food Industries Company SAOG		The Financial Corporation Company SAOG		Total	
	2024	2023	2024	2023	2024	2023
Government soft loans	(3,653,000)	(3,653,000)	-	-	(3,653,000)	(3,653,000)
Lease liabilities	(401,564)	(400,615)	-	-	(401,564)	(400,615)
Due to banks	(68,608)	(68,308)	-	-	(68,608)	(68,308)
Amounts due to related parties	(121,836)	(16,944)	-	-	(121,836)	(16,944)
Trade and other payables	(302,459)	(440,545)	(807,953)	(807,806)	(1,110,412)	(1,248,351)
Provision for claims	-	-	(600,000)	-	(600,000)	-
Total liabilities	(4,547,467)	(4,579,412)	(1,407,953)	(807,806)	(5,955,420)	(5,387,218)
Net assets	(1,938,728)	(1,520,704)	7,090,754	7,524,104	5,152,026	6,003,400
Share of non-controlling interest	(371,481)	(291,383)	3,460,392	3,671,873	3,088,911	3,380,490
Summarised statement of profit or loss and other comprehensive income						
Net revenue	56,290	211,975	169,104	288,301	225,394	500,276
Investment and other income	479	34,480	549,716	716,611	550,195	751,091
Expenses	(474,793)	(452,297)	(1,137,606)	(487,218)	(1,612,399)	(939,515)
(Loss)/profit before tax	(418,024)	(205,842)	(418,786)	517,694	(836,810)	311,852
Income tax	-	-	(14,564)	(17,296)	(14,564)	(17,296)
Net (loss)/profit after tax	(418,024)	(205,842)	(433,350)	500,398	(851,374)	294,556
Net (loss)/profit attributable to the Parent	(337,926)	(205,842)	(221,869)	500,398	(557,595)	294,556

14 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. On a back-to-back arrangement, this investment carried an average yield of 9% per annum and matured in September 2023. The return from this investment was being accounted for as part of dividend income.

(a) The movement in financial assets at amortised cost is as follows:

	Parent Company	
	31 December 2024	**31 December 2024**
Opening balance	-	2,099,271
Amortisation of placement	-	(5,300)
Redemption on maturity	-	(2,093,971)
Closing balance	-	-

15 Right-of-use asset and lease liabilities

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

	Group	
	31 December 2024	**31 December 2023**
As at 1 January	372,270	385,565
Amortisation charge for the year	(13,295)	(13,295)
As at 31 December	358,975	372,270

15 Right-of-use asset and lease liability (continued)

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

	Group	
	31 December 2024	31 December 2023
Current portion	20,624	17,621
Non-current portion	380,940	382,994
	401,564	400,615

Omani Euro Foods Industries SAOG, a subsidiary, has lease liability for the land obtained from Madayn, Sohar. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected in the consolidated statement of financial position as a right-of-use asset and corresponding 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

	Number of right of use assets leased	Range of remaining term	Number of right of use assets leased	Number of leases with options to purchase	Number of lease with termination options
Land	1	28	1	-	-

	Within one year	1-2 years	2-3 years	3-5 years	After 5 years	Total
Lease payments	20,624	20,624	23,718	47,436	728,413	840,815
Finance charges	(3,903)	(4,757)	(6,404)	(15,417)	(408,770)	(439,251)
Net present value	16,721	15,867	17,314	32,019	319,643	401,564

16 Investment properties

	Group		Parent Company	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Opening balance	2,826,450	2,950,650	2,556,450	2,680,650
Less: depreciation charge for the year	(124,200)	(124,200)	(124,200)	(124,200)
Closing balance	2,702,250	2,826,450	2,432,250	2,556,450

The investment properties relating to the Parent Company are stated at cost amounting to RO 3,105,000 less accumulated depreciation. In the opinion of the management, the market value of these investment properties as at 31 December 2024 approximate their carrying amounts.

17 Deferred tax

Deferred tax is calculated on all material temporary differences under the liability method using a principal tax rate of 15% (2023: 15%). The deferred tax pertains to FINCORP, a subsidiary, which has recognised a deferred tax asset amounting to RO 46,507 (2023: RO 61,071) as at 31 December 2024 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 14,564 (2023: RO 17,295) has been recognised in profit or loss. The deferred tax asset recognised in the Group's consolidated statement of financial position relates to the following:

17 Deferred tax (continued)

31 December 2024	1 January 2024	Charge for the year	31 December 2024
Deferred tax asset			
Tax effect of provisions	11,694	(265)	11,429
Tax effect of investments	(21,412)	(12,726)	(34,138)
Tax effect of losses	70,789	(1,573)	69,216
	61,071	(14,564)	46,507

31 December 2023	1 January 2023	Charge for the year	31 December 2023
Deferred tax asset			
Tax effect of accelerated tax depreciation	-		-
Tax effect of provisions	21,369	(9,675)	11,694
Tax effect of change in fair value of investment and	(111,760)	90,348	(21,412)
Tax effect of losses	168,757	(97,968)	70,789
	78,366	(17,295)	61,071

18 Share capital

The authorised share capital of the Parent Company is RO 20,000,000, comprising of 200,000,000 ordinary shares of RO 0.100 each (31 December 2023: RO 20,000,000, comprising of 200,0000,000 shares of RO 0.100 each). The issued and fully paid-up share capital comprises of 121,187,500 (31 December 2023: 121,187,500) ordinary shares of RO 0.100 each (31 December 2023: RO 0.100 each).

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:

	31 December 2024		31 December 2023	
	Percentage shareholding	Number of shares	Percentage shareholding	Number of shares
Brig.(Rtd) Masood Humaid Al Harthy	24.99%	30,456,562	-	-
Abu Dhabi Investment Company, UAE	-	-	30.00%	36,562,500
Al Khonji Invests LLC and Group, Oman	21.76%	26,523,038	21.16%	25,791,833

19 Legal reserve

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

20 Revaluation reserve

In accordance with the Group's policy, the items of property, plant and equipment of the Group and the Parent Company are stated at historical cost less accumulated depreciation and any impairment in these consolidated and separate financial statements. In case where associates or subsidiaries 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 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 deficit on property, plant and equipment of its subsidiaries or equity accounted associates, not accounted for in these consolidated and separate financial statements in accordance with the Group's policy, is as follows:

	31 December 2024	31 December 2023
Associates	2,104,605	1,688,274

21 Bank borrowings

	Group		Parent Company	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Banks in Oman (Note a)	68,608	94,144	-	25,836

(a) The Group's and the Parent Company's bank overdraft facilities carry effective annual interest rates ranging from 6.00% to 6.50% (2023: from 6.00% to 6.50%) per annum. The overdraft is secured by a pledge over the Parent Company's certain financial assets and investments in subsidiaries (Notes 10, 12 and 13).

22 Term loans

	Group		Parent Company	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Banks in Oman (Note a)	2,127,371	2,629,917	2,127,371	2,629,917
Less: current portion	1,135,292	1,108,000	1,135,292	1,108,000
Non-current portion	992,079	1,521,917	992,079	1,521,917
	2,127,371	2,629,917	2,127,371	2,629,917

(a) The Group's and the Parent Company's RO term loans carry effective annual interest rates ranging between 6% and 6.75% per annum (2023: between 6.5% and 7.00% per annum).

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

	Group		Parent Company	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Within one year	992,079	1,521,917	992,079	1,521,917
More than one year	1,135,292	2,629,917	1,135,292	2,629,917

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

	Group		Parent Company	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
At 1 January	2,629,917	2,121,833	2,629,917	2,121,833
Availed during the year	64,022	1,076,084	64,022	1,076,084
Repayment during the year	(566,568)	(568,000)	(566,568)	(568,000)
At 31 December	2,127,371	2,629,917	2,127,371	2,629,917

(d) The term loan is secured against a pledge of certain assets (Notes 9, 10, 12, 13 and 16).

23 Loans from Government

	Group		Parent Company	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Loans from Government availed by:				
Parent Company	5,000,000	5,000,000	5,000,000	5,000,000
Omani Euro Food Industries Company SAOG	3,653,000	3,653,000	-	-
	8,653,000	8,653,000	5,000,000	5,000,000
Less: deferred Government grant relating to:				
Parent Company	(351,474)	(351,474)	(691,880)	(351,474)
Net amount	8,301,526	4,648,526	4,308,120	4,648,526

23 Loans from Government (continued)

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

	Group		Parent Company	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Within 1 year	7,100,000	3,500,000	5,000,000	2,500,000
Within 1 - 2 years	600,000	3,000,000	-	2,500,000
Within 2 - 5 years	953,000	2,153,000	-	-
Total	8,653,000	8,653,000	5,000,000	5,000,000

(a) In the year 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 repayable in 6 annual instalments commencing from November 2021. A further extension was granted and repayment of loan was expected to commence from March 2022. Partial repayment of the first instalment 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. Further, the Parent Company settled the third instalment of RO 2.5 million on 24 November 2022 and subsequently the fourth installment was duly paid in November 2023 to align with the repayment schedule. The November 2024 installment of the loan was not repaid by the Company due to shortage of funds and an extension is being requested. The management has accrued the penal interest for the period based on the agreement.

(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 Related party transactions and balances

Related parties comprise the shareholders, directors, business entities in which they have the ability to control or exercise significant influence in financial and operating decisions and with senior management. The Group or the Parent Company have entered into transactions with entities related either to the shareholders or directors. In the ordinary course of business, such related parties provide goods and render services to the Group or the Parent Company. The transactions are carried on mutually agreed terms.

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

	Group		Parent Company	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Sales and income				
Through subsidiaries/associates	501,407	371,901	276,254	-
Other related parties	1,133,107	643,507	-	-
	1,634,514	1,015,408	276,254	-
Purchases and expenses				
Directors and key management personnel	442,208	532,548	275,144	345,643
Other related parties	368,492	1,856,037	969	-
	810,700	2,388,585	276,113	345,643

b) **Due from related parties**

	Group		Parent Company	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Subsidiaries/associates/ others (Note 8)	15,359	70,019	99,982	-

24 Related party transactions and balances (continued)

c) Due to related parties

	Group		Parent Company	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Directors	14,262	112,535	300	73,465
Others	10,874	16,875	-	-
	25,136	129,410	300	73,465

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

	Group		Parent Company	
	Year ended 31 December 2024	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2023
Directors' sitting fees (Note 31)	95,800	51,100	30,700	17,400
Directors' remuneration	-	98,000	-	68,000
	95,800	149,100	30,700	85,400
Key management personnel				
- Short-term benefits	343,037	372,906	241,631	256,216

25 Trade and other payables

	Group		Parent Company	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Trade payables	767,992	238,208	30,721	23,089
Other payables (b)	372,540	1,025,871	131,011	173,900
Interest payable	415,688	373,242	415,688	373,242
Employee benefit liabilities (a)	149,214	143,371	28,197	18,764
Due to Directors	14,262	112,535	300	73,465
Unclaimed dividends	92,424	92,424	92,424	92,424
Contract liabilities	-	10,039	-	-
Due to related parties	10,874	20,222	-	3,347
Provision for income tax	7,614	7,614	-	-
Provision for claim (Note 43)	600,000	-	-	-
	2,430,608	2,023,526	698,341	758,231

(a) Employee benefit liabilities

	Group		Parent Company	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Opening balance	143,371	133,322	18,764	11,988
Charge for the year	20,404	24,606	9,433	6,776
Payments during the year	(14,561)	(14,557)	-	-
Closing balance	149,214	143,371	28,197	18,764

(b) The provision for claim which is based on the preliminary investigation report submitted by an independent consultant to one of the subsidiary, FINCORP, amounted to RO 600,000 which is charged to the profit or loss for the year. This provision is subject to change based on any further developments that may take place with respect to the investigation which is currently on-going (Note 43).

26 Dividends

No cash dividend was approved in the Annual General Meeting of the Parent Company held on 28 March 2024. In the year 2023, a cash dividend of 7.5 baizas per share amounting to RO 916,096 was paid out for the year 2022.

27 Net investment income

	Group		Parent Company	
	Year ended 31 December 2024	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2023
Realised income				
Dividend income	612,722	743,782	416,576	549,981
Realised profit on sale of investments at fair value through profit or loss	262,670	477,867	124,323	293,514
Rental income	140,373	144,238	140,373	144,239
Brokerage commission income	75,362	154,996	-	-
Asset management fees	93,742	133,305	-	-
Interest income	161	257	161	257
Total realised investment income (A)	1,185,030	1,654,445	681,433	987,991
Unrealised loss				
Unrealised loss on investments at fair value through profit or loss	(17,367)	(541,692)	(92,146)	(593,504)
Total unrealised loss (B)	(17,367)	(541,692)	(92,146)	(593,504)
Total investment income (A+B)	1,167,663	1,112,753	589,287	394,487
Less: investment related expenses	(1,701)	(11,853)	(1,701)	(11,853)
Total net investment income	1,165,962	1,100,900	587,586	382,634

28 Gross profit on sale of food products

	Group	
	Year ended 31 December 2024	Year ended 31 December 2023
Sales	1,373,164	1,945,980
Cost of sales	(1,316,874)	(1,734,005)
Gross profit	56,290	211,975

29 Other income

	Group		Parent Company	
	Year ended 31 December 2024	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2023
Miscellaneous income	106,339	56,832	68,000	1,737

30 Salaries and other related staff costs

	Group		Parent Company	
	Year ended 31 December 2024	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2023
Salaries and benefits	717,670	744,066	295,045	328,920
Employees end-of-service benefits (Note 25)	20,404	24,606	9,433	6,776
Post employees benefits	23,636	12,729	12,682	12,729
	761,710	781,401	317,160	348,425

31 Administrative expenses

	Group		Parent Company	
	Year ended 31 December 2024	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2023
Depreciation (Note 6 and Note 16)	179,911	221,251	177,647	216,284
Other expenses	59,431	124,463	17,931	13,142
Legal and professional fees	104,562	104,552	35,109	37,627
Penalty imposed by FSA	50,000	-	-	-
Directors' sitting fees (Note 24)	95,800	51,100	30,700	17,400
Repairs and maintenance	47,197	51,728	23,429	24,750
Security market fees and charges	69,987	80,410	21,937	44,156
Postage, fax and telephone expenses	21,908	20,825	6,575	6,028
Rent expenses	18,968	19,029	2,168	2,229
Insurance expenses	16,601	19,735	4,060	4,327
Electricity and water	20,662	22,933	13,550	15,800
Advertisement and promotion expenses	84,593	5,839	2,528	3,397
Travelling expenses	4,688	11,463	4,130	4,948
General meeting expenses	10,390	5,665	10,390	5,665
	784,698	738,993	350,154	395,753

32 Investment related expenses

	Group		Parent Company	
	Year ended 31 December 2024	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2023
Brokerage expenses	969	6,552	969	6,552
Amortisation of placement charges	732	5,301	732	5,301
	1,701	11,853	1,701	11,853

33 Taxation

(a) The Tax Authority in Oman follows 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 2020. The Parent Company does not expect to have any material impact for unassessed tax years.

(c) For the year 2022, no 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 over next 5 years.

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

34 Trust accounts

One of the subsidiaries, Fincorp'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:

	Group	
	Year ended 31 December 2024	Year ended 31 December 2023
Amounts held in:		
Non-discretionary trust	6,224,149	69,770
Discretionary trust	5,007,921	2,053,034
	11,232,070	2,122,804

35 Basic/diluted earnings per share

Basic/diluted earnings per share is calculated by dividing the net profit after tax attributable to equity shareholders of the Parent Company by the weighted average number of ordinary shares outstanding as at 31 December.

	Group		Parent Company	
	Year ended 31 December 2024	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2023
Net profit after tax for the year (RO)	363,085	179,933	701,012	346,334
Weighted average number of shares (Number)	121,875,000	121,875,000	121,875,000	121,875,000
Earnings per share attributable to shareholders of the Parent Company (RO)	0.003	0.001	0.006	0.003

No figure for diluted earnings per share has been presented because the Parent Company has not issued any instruments which would have an impact on earnings per share when exercised.

36 Net assets per share

The calculation of net assets per share is based on dividing the net assets attributable to equity shareholders of the Parent Company by the number of ordinary shares outstanding as at 31 December.

	Group		Parent Company	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Net assets (RO)	22,783,807	22,420,722	24,351,053	23,650,041
Number of shares outstanding (Number)	121,875,000	121,875,000	121,875,000	121,875,000
Net assets per share (RO)	0.187	0.184	0.200	0.194

37 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.

37 Segmental information

	Oman		UAE		Total	
	2024	2023	2024	2023	2024	2023
Group						
A: Segment results						
Sales	1,373,164	1,945,980	-	-	1,373,164	1,945,980
Less: cost of sales	(1,316,874)	(1,734,005)	-	-	(1,316,874)	(1,734,005)
Gross profit	56,290	211,975	-	-	56,290	211,975
Investment income	715,921	706,180	142,104	(26,225)	858,025	679,955
Interest income	161	257	-	-	161	257
Management fees	93,742	133,305	-	-	93,742	133,305
Brokerage income	75,362	154,996	-	-	75,362	154,996
Other income	246,712	201,070	-	-	246,712	201,070
Share of results from equity accounted investees	1,181,941	948,346	-	-	1,181,941	948,346
Total income	2,370,129	2,356,129	142,104	(26,225)	2,512,233	2,329,904
Interest expense	(271,964)	(150,793)	(86,073)	-	(358,037)	(150,793)
Depreciation and amortisation	(179,911)	(221,251)	-	-	(179,911)	(221,251)
Impairment of receivables	(600,000)	-	-	-	(600,000)	-
Other expenses	(1,333,534)	(1,374,879)	(34,665)	-	(1,368,199)	(1,374,879)
Reportable segment (loss) /profit before tax	(15,280)	609,206	21,366	(26,225)	6,086	582,981

B: Segment assets:	Oman		UAE		Total	
	2024	2023	2024	2023	2024	2023
Investment in equity accounted investees	16,969,632	16,444,544	-		16,969,632	16,444,544
Other investments	12,781,161	13,739,217	1,071,186	992,294	13,852,347	14,731,511
Other assets	8,485,094	8,319,105	166,813	107,255	8,651,907	8,426,360
Total segment assets	38,235,887	38,502,866	1,237,999	1,099,549	39,473,886	39,602,415
Total segment liabilities	10,874,932	11,015,105	2,806,220	2,786,098	13,681,152	13,801,203

38 Capital risk management

The capital is managed by the Group and the Parent Company in a way that it is able to continue to operate as a going concern while maximising returns to the shareholders.

The capital of the Parent Company consists of share capital, reserves and retained earnings. The Parent Company manages its capital by making adjustments in bringing additional capital in light of changes in business conditions.

39 Financial assets and liabilities and risk management

(a) Financial assets and liabilities

Financial assets and liabilities carried on the consolidated and separate statement of financial position include cash and bank balances, investments at FVTPL, Investment in associates, investment in subsidiaries, trade and other receivables, bank borrowings, term loan, loan and trade and other payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

(b) Risk management

Financial risk management is carried out by the Finance Department under policies approved by the Board of Directors. The Finance Department identifies, evaluates and hedges financial risks in close co-operation with the Board of Directors. The Parent Company provides principles for overall risk management, as well as policies covering specific areas.

39 Financial assets and liabilities and risk management (continued)

(c) **Capital management**

The primary objective of the management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholders' value.

The Group and the Parent Company manages their capital structure and make adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies and processes during the years ended 31 December 2024 and 31 December 2023.

40 Financial risk management

(a) **Market risk**

(i) **Foreign exchange risk**

Foreign exchange risk is the risk that the fair values or future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates.

The Group and the Parent Company are exposed to foreign exchange risk arising from various currency exposures. Significant portion of revenues and major operating costs are either denominated in RO or AED. As the AED is pegged against the RO, the management does not believe that the Group and the Parent Company are exposed to any material foreign exchange risk.

Management considers that sensitivity analysis is not necessary due to the Group's and the Parent Company's limited exposure to foreign exchange risk.

(ii) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates.

The Group and the Parent Company are exposed to interest rate risk as the Group and the Parent Company have interest-bearing term loans and bank borrowings at commercial interest rates. Sensitivity analysis of interest rates is as follows: if the interest rates were to be 50 basis points higher or lower with all other variables held constant, the Group’s net profit would decrease or increase by RO 10,980 and the Parent Company's net profit would decrease or increase by RO 10,637 (2023: the Group’s net profit would decrease or increase by RO 13,620 and the Parent Company's net profit would decrease or increase by RO 13,150).

(iii) **Price risk**

The Company's quoted investments are subject to market price risk arising from uncertainties about future prices of equities. Market price risk is managed through the diversification of the quoted investments. The Company's quoted investments are publicly traded on the Muscat Stock Exchange. Equity price risk arises mostly from financial assets at fair value through profit or loss. The Company has maintained the portfolio of securities listed on the Muscat Stock Exchange and other foreign stock markets. Material investment within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Risk Management department/Board of Directors. At the end of reporting period, a change in the market price of investments by 5% would have impacted the net profit by RO 500,647 (2023 : RO 518,798).

(b) **Credit risk**

Credit risk on trade receivables is limited to their carrying values as management regularly reviews these balances to assess recoverability and makes provision for balances whose recoverability is in doubt. Credit risk is managed mainly through credit terms to customers backed by confirmed letters of credit. There is no concentration of credit risk with respect to trade receivables as the Group and the Parent Company have a large number of customers, both locally and internationally.

The Group and the Parent Company allocate each exposure to a credit risk grade based on data that is determined to be predictive of the risk of loss (including but not limited to external ratings, audited financial statements, management accounts and cash flow projections and available press information about customers) and applying experienced credit judgment. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default and are aligned to external credit rating.

40 Financial risk management (continued)

(b) **Credit risk (continued)**

Exposures within each credit risk grade are segmented by geographic region and an ECL rate is calculated for each segment based on delinquency status and actual credit loss experience over the past five years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's and the Parent Company's view of economic conditions over the expected lives of the receivables.

Since, as for each potential customer there is no independent rating, the Group's credit committee assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors.

The Group and the Parent Company did not identify any material impairment loss on other financial assets as at the reporting date.

(c) **Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Group's and the Parent Company's management monitors liquidity requirements on a regular basis to help ensure that sufficient funds are available to meet any future commitments. The Group and the Parent Company manage liquidity risk by maintaining adequate reserves and by continuously monitoring forecasted and actual cash flows.

The liquidity risk profile of the Group is as follows:

Liabilities as at 31 December 2024	**Total**	**Less than 1 year**	**More than 1 year**
Lease liabilities	401,564	20,624	380,940
Bank borrowings	68,608	68,608	-
Term loan	2,127,371	1,135,292	992,079
Trade and other payables	1,830,608	1,830,608	-
Loan from Government	8,653,000	7,100,000	1,553,000
	13,081,151	10,155,132	2,926,019

Liabilities as at 31 December 2023	**Total**	**Less than 1 year**	**More than 1 year**
Lease liabilities	400,615	17,621	382,994
Bank borrowings	94,144	94,144	-
Term loan	2,629,917	1,108,000	1,521,917
Trade and other payables	2,023,526	2,023,526	-
Loan from Government	8,653,000	7,100,000	1,553,000
	13,801,202	10,343,291	3,457,911

40 Financial risk management (continued)

The liquidity risk profile of the Parent is as follows:

Liabilities as at 31 December 2024	**Total**	**Less than 1 year**	**More than 1 year**
Term loan	2,127,371	1,135,292	992,079
Trade and other payables	698,341	698,341	-
Loan from Government	5,000,000	5,000,000	-
	7,825,712	6,833,633	992,079

Liabilities as at 31 December 2023	**Total**	**Less than 1 year**	**More than 1 year**
Term loan	2,629,917	1,108,000	1,521,917
Trade and other payables	758,231	758,231	-
Loan from Government	5,000,000	2,500,000	2,500,000
	8,388,148	4,366,231	4,021,917

(d) **Fair value estimation**

For financial instruments that are measured in the consolidated and separate statement of financial position at fair value, the Group and the Parent Company are required to disclose the fair value measurement by level of the following fair value hierarchy:

• Level 1 — Quoted (unadjusted) market prices in active markets.
• Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
• Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The valuation of each publicly traded investment is based upon the closing market price of that investment as of the valuation date, less a discount if the security is restricted.

Group

Nature of the financial instrument	**Carrying value**	**Level 1**	**Level 2**	**Level 3**
As at 31 December 2024				
Investment at FVTPL	13,852,346	10,829,898	-	3,022,448
Investment in associates	17,049,614	-	-	17,049,614
Investment property	2,702,250	-	-	2,702,250

Nature of the financial instrument	**Carrying value**	**Level 1**	**Level 2**	**Level 3**
As at 31 December 2023				
Investment at FVTPL	14,731,511	11,722,885	-	3,008,626
Investment in associates	16,444,544	-	-	16,444,544
Investment property	2,826,450	-	-	2,826,450

40 Financial risk management (continued)

(d) **Fair value estimation (continued)**

Parent Company

Nature of the financial instrument As at 31 December 2024	Carrying value	Level 1	Level 2	Level 3
Investment at FVTPL	10,012,944	7,606,206	-	2,406,738
Investment in associates	15,241,212	-	-	15,241,212
Investment in subsidiaries	3,630,363	-	-	3,630,363
Investment property	2,432,250	-	-	2,432,250

Nature of the financial instrument As at 31 December 2023	Carrying value	Level 1	Level 2	Level 3
Investment at FVTPL	10,375,967	7,946,980	-	2,428,987
Investment in associates	14,611,372	-	-	14,611,372
Investment in subsidiaries	3,852,231	-	-	3,852,231
Investment property	2,556,450	-	-	2,556,450

41 Notes supporting the consolidated and separate statement of cash flows

Transactions from financing activities shown in the reconciliation of liabilities from financing transactions is as follows:

Group **2024**	**Term loan**	**Loan from Government**	**Lease liabilities**
At 1 January 2024	2,629,917	5,000,000	400,615
Cash inflows	64,022	-	-
Cash outflows	(566,568)	-	(20,624)
Non-cash changes	-	-	21,573
At 31 December 2024	2,127,371	5,000,000	401,564

Group **2023**	**Term loan**	**Loan from Government**	**Lease liabilities**
At 1 January 2023	2,121,833	7,500,000	399,715
Cash inflows	1,076,084	-	-
Cash outflows	(568,000)	(2,500,000)	(20,624)
Non-cash changes	-	-	21,524
At 31 December 2023	2,629,917	5,000,000	400,615

Parent Company **2024**	**Term loan**	**Loan from Government**
At 1 January 2024	2,629,917	5,000,000
Cash inflows	64,022	-
Cash outflows	(566,568)	-
At 31 December 2024	2,127,371	5,000,000

Parent Company **2023**	**Term loan**	**Loan from Government**
At 1 January 2023	2,121,833	7,500,000
Cash inflows	1,076,084	-
Cash outflows	(568,000)	(2,500,000)
At 31 December 2023	2,629,917	5,000,000

42 Contingent liabilities

	Group	
	31 December 2024	31 December 2023
Outstanding bank guarantees	15,000	15,000

43 Fraud investigation relating to subsidiary - Fincorp

i) During the year 2023, irregularities were detected in the brokerage division of Fincorp, leading to the appointment of a consultant, to investigate the matter. Phase 1 of the investigation has been completed, and Phase 2 is ongoing. The consultant's initial findings indicate financial misreporting through trade discrepancies (fraudulent trade shifts), which have resulted in the understatement of client receivables and payables by an equivalent amount. The management of Fincorp is in the process of obtaining confirmation of balances from all clients and reconciling their balances.

ii) The above misstatements resulting from fraudulent trade shifts have also impacted the accurate reporting of brokerage commission income in the prior years.

iii) The investigation has identified unauthorised transactions in margin trading facilities with an overseas broker, resulting in losses, which were charged to various client accounts.

iv) Additionally, the report highlights instances of trade manipulation, where certain employees benefited from trade to the detriment of Fincorp and its clients. The management of Fincorp is evaluating legal measures to recover the losses from the individuals involved.

v) The consultant and Fincorp's management are working to meet with all clients and ensure all necessary documentation is available to adjust client account balances. Further, meetings and client confirmations are required to finalise the reconciliation of balances and determine the accurate financial impact on the financial statements of Fincorp.

vi) At the end of the reporting period, the Board of Directors of Fincorp have recognised a provision of RO 600,000 for any potential future claims arising from the settlement of client accounts. The provision represents Fincorp management‘s best estimate of the financial impact of the above irregularities based on currently available information.

vii) At 31 December 2024, the reported net equity of Fincorp was RO 7.09 million. In the opinion of the Fincorp's is management, account balances which are affected due to the above mentioned fraud are 'Trade and other receivables’ stated at RO 0.902 million and ‘Trade and other payables' stated at RO 0.771 million. All other assets such as bank balances and cash of RO 1.6 million and investments of RO 5.9 million, in aggregate, amounting to RO 7.5 million, are correctly stated.