OMAN AND EMIRATES INVESTMENT HOLDING COMPANY SAOG AND ITS SUBSIDIARIES

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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Contents **Page no.**

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Abu Timam
Chartered Certified Accountants

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Independent Auditor's Report

To the Shareholders of
Oman and Emirates Investment Holding Company SAOG
P.O. Box 2205
Postal Code 112
Sultanate of Oman

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Oman and Emirates Investment Holding Company SAOG (the "Parent Company") and its subsidiaries (together the "Group"), which comprise the consolidated and separate statement of financial position as at 31 December 2022, and the consolidated and separate statement of profit or loss, consolidated and separate statement of other comprehensive income, consolidated and separate statement of changes in equity and consolidated and separate statement of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Parent Company as at 31 December 2022, and their consolidated and separate financial performance and their consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *Independent Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated and separate financial statements in the Sultanate of Oman, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independent Auditor's Report (continued)

Key Audit Matters

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

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

Key audit matter	How our audit addressed the key audit matter
Valuation of unquoted investments in equity securities	
Refer to accounting policies and Note 7 to the consolidated and separate financial statements. As stated in Note 7 to the consolidated and separate financial statements, the Group valued its investment in unquoted equity shares based on the valuation carried out by an independent valuer through the use of Net Assets model for business valuation. Since the use of such valuation models include significant estimates and assumptions, the degree of subjectivity and complexity involved in the valuation increases to a considerable extent, therefore, it is considered as a key audit matter.	In responding to the identified key audit matter: • we obtained an understanding of the valuation exercise carried out by the independent valuer who was responsible for performing the valuation and made relevant inquiries of such person in order to assess their competence, capability and objectivity which are recognised as the important factors affecting the reliability of the valuation; • involving our own valuation specialists to support us in challenging the valuations carried out by the Group and methodology used for valuations; • evaluated the reasonableness of amounts used in the valuation; • verified the amounts from respective financial statements of the related companies; and • verified the sales consideration and discount rate used by the valuer in estimating the discounted sales price.

Other Information

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

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

In connection with our audit of these consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with these consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on other information obtained prior to the date of this auditor's report, 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.

Independent Auditor's Report (continued)

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with IFRSs, and the relevant requirements of the Capital Market Authority and the Commercial Companies Law of the Sultanate of Oman, 2019, 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 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 or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

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 these consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

Independent Auditor's Report (continued)

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

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 communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matter communicated with those charged with governance, we determine this matter that was of most significance in the audit of the consolidated and separate financial statements of the current period and is therefore a key audit matter. We describe this matter 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.

Report on Other Legal and Regulatory requirements

In our opinion, the consolidated and separate financial statements for the year ended 31 December 2022 comply, in all material respects, with the relevant disclosure requirements of the Capital Market Authority and the Commercial Companies Law of the Sultanate of Oman 2019.

Nasser Al Mugheiry
Licence No. L1024587
ABU TIMAM
(Chartered Certified Accountants)

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Abu Timam - Chartered Certified Accountants

8 March 2023

OMAN AND EMIRATES INVESTMENT HOLDING COMPANY SAOG AND ITS SUBSIDIARIES

CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Notes	2022 Group RO	2021 Group RO	2022 Parent RO	2021 Parent RO
ASSETS					
Cash and bank balances	5	**2,588,582**	1,919,812	**964,158**	113,040
Trade and other receivables	6	**1,487,530**	1,075,767	**206,666**	40,850
Inventories		**456,254**	434,392	**-**	-
Financial assets at fair value through profit or loss (FVTPL)	7	**14,641,548**	20,481,259	**10,883,176**	16,651,253
Investment in equity accounted investees	9	**15,798,771**	16,100,249	**14,231,630**	14,110,383
Investment in subsidiaries	10	**-**	-	**3,596,035**	3,873,243
Financial assets at amortised cost	11	**2,099,271**	2,109,961	**2,099,271**	2,109,961
Property, plant and equipment	12	**2,257,421**	2,531,702	**414,810**	515,016
Investment properties	13	**2,950,650**	3,074,850	**2,680,650**	2,804,850
Right-of-use asset	12.1	**385,565**	43,577	**-**	-
Deferred tax asset	14	**78,367**	78,496	**-**	-
Total assets		**42,743,959**	47,850,065	**35,076,396**	40,218,596
EQUITY					
Share capital	15	**12,187,500**	12,187,500	**12,187,500**	12,187,500
Legal reserve	16	**4,991,892**	4,991,892	**4,062,500**	4,062,500
Retained earnings		**5,977,493**	3,893,219	**7,969,803**	5,692,817
Equity attributable to owners of the Parent Company		**23,156,885**	21,072,611	**24,219,803**	21,942,817
Non-controlling interest		**3,175,730**	3,485,638	**-**	-
Total equity		**26,332,615**	24,558,249	**24,219,803**	21,942,817
LIABILITIES					
Bank overdrafts	18	**79,890**	630,360	**11,582**	562,017
Trade and other payables	19	**2,656,906**	2,054,192	**1,223,178**	812,952
Lease liability	12.1	**399,715**	53,454	**-**	-
Term loans	20	**2,121,833**	3,100,810	**2,121,833**	3,100,810
Loans from Governments	21	**10,461,120**	16,136,924	**6,808,120**	12,483,924
Deferred Government grants	21	**691,880**	1,316,076	**691,880**	1,316,076
Total liabilities		**16,411,344**	23,291,816	**10,856,593**	18,275,779
Total equity and liabilities		**42,743,959**	47,850,065	**35,076,396**	40,218,596
Net assets per share	31	**0.190**	0.173	**0.199**	0.180

These consolidated and separate financial statements on pages 5 to 50 were approved by the Board of Directors on 8 March 2023 and were signed on its behalf by:

Mohamed Darwish Al Khoori **Chairman**	**Saed Saif Nasser Al Saadi** **Director**	**Raffy Manoug Kozadjian** **Acting Chief Executive Officer**

The accompanying notes on pages 11 to 50 form an integral part of these consolidated and separate financial statements.

The report of the Auditor is set forth on page 1

OMAN AND EMIRATES INVESTMENT HOLDING COMPANY SAOG AND ITS SUBSIDIARIES

CONSOLIDATED AND SEPARATE STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 Group RO	2021 Group RO	2022 Parent RO	2021 Parent RO
Income					
Interest income	22	**10,984**	-	**10,984**	-
Rental income		**124,025**	55,119	**124,025**	55,119
Brokerage commission income		**158,129**	102,883	-	-
Dividends income		**753,691**	878,252	**631,506**	770,134
Net income from financial assets at FVTPL	7	**2,645,480**	2,556,010	**2,863,990**	1,803,141
Gross profit on sale of food products	23	**198,011**	191,319	-	-
Share of (loss)/profit from Associates	9	**(65,291)**	415,612	**272,533**	75,672
Share of (loss)/profit from Subsidiaries		-	-	**(277,208)**	375,307
Asset management fees		**120,140**	244,494	-	-
Other income	24	**110,180**	84,466	**41,010**	18,481
Total income		**4,055,349**	4,528,155	**3,666,840**	3,097,854
Expenses					
Staff costs	25	**(810,030)**	(835,523)	**(359,597)**	(373,005)
Administrative expenses	26	**(723,472)**	(741,922)	**(385,283)**	(383,789)
Investments related expenses	27	**(11,141)**	(10,690)	**(21,978)**	(20,847)
Directors' remuneration		**(75,000)**	(50,000)	**(75,000)**	(50,000)
Provision for court settlement for former CEO	19 (a)	**(292,870)**	-	**(292,870)**	-
Total expenses		**(1,912,513)**	(1,638,135)	**(1,134,728)**	(827,641)
Net income/(loss)		**2,142,836**	2,890,020	**2,532,112**	2,270,213
Finance costs		**(519,749)**	(691,534)	**(386,001)**	(606,498)
Impairment loss on non-financial assets:					
- investment properties	13	-	(30,000)	-	-
Impairment reversal on financial instruments – net	6	**151,408**	-	**130,875**	-
		(368,341)	(721,534)	**(255,126)**	(606,498)
Profit before tax		**1,774,495**	2,168,486	**2,276,986**	1,663,715
Income tax	14	**(129)**	(322,609)	-	-
Profit after tax for the year		**1,774,366**	1,845,877	**2,276,986**	1,663,715
Attributable to:					
Owners of the Parent Company		**2,084,274**	1,521,782	**2,276,986**	1,663,715
Non-controlling interest		**(309,908)**	324,095	-	-
		1,774,366	1,845,877	**2,276,986**	1,663,715
Basic and diluted earnings per share	30	**0.0171**	0.0125	**0.0187**	0.0137

The accompanying notes on pages 11 to 50 form an integral part of these consolidated and separate financial statements.

The report of the Auditor is set forth on page 1.

OMAN AND EMIRATES INVESTMENT HOLDING COMPANY SAOG AND ITS SUBSIDIARIES

CONSOLIDATED AND SEPARATE STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 Group RO	2021 Group RO	2022 Parent RO	2021 Parent RO
Profit/(loss) for the year	**1,774,366**	1,845,877	**2,276,986**	1,663,715
Other comprehensive income				
Other comprehensive income	-	-		-
Total comprehensive income/(loss) for the year	**1,774,366**	1,845,877	**2,276,986**	1,663,715
Total comprehensive income/(loss) attributable to:				
- Owners of the Parent Company	**2,084,274**	1,521,782	**2,276,986**	1,663,715
- Non controlling interest	**(309,908)**	324,095	-	-
	1,774,366	1,845,877	**2,276,986**	1,663,715

The accompanying notes on pages 11 to 50 form an integral part of these consolidated and separate financial statements.

The report of the Auditor is set forth on page 1.

OMAN AND EMIRATES INVESTMENT HOLDING COMPANY SAOG AND ITS SUBSIDIARIES

CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Attributable to owners of the Parent Company					
	Share capital RO	Legal reserve RO	Retained earnings RO	Total RO	Non-controlling interest RO	Total equity RO
Group						
As at 1 January 2021	12,187,500	4,921,214	2,442,115	19,550,829	3,161,543	22,712,372
Profit for the year	-	-	1,521,782	1,521,782	324,095	1,845,877
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	*1,521,782*	*1,521,782*	*324,095*	*1,845,877*
Transfer to legal reserve	-	70,678	(70,678)	-	-	-
As at 31 December 2021	12,187,500	4,991,892	3,893,219	21,072,611	3,485,638	24,558,249
As at 1 January 2022	**12,187,500**	**4,991,892**	**3,893,219**	**21,072,611**	**3,485,638**	**24,558,249**
Profit/(loss) for the year	-	-	**2,084,274**	**2,084,274**	**(309,908)**	**1,774,366**
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income/(loss)	-	-	**2,084,274**	**2,084,274**	**(309,908)**	**1,774,366**
Transfer to legal reserve	-	-	-	-	-	-
At 31 December 2022	**12,187,500**	**4,991,892**	**5,977,493**	**23,156,885**	**3,175,730**	**26,332,615**

The accompanying notes on pages 11 to 50 form an integral part of these consolidated and separate financial statements.

The report of the Auditor is set forth on page 1.

OMAN AND EMIRATES INVESTMENT HOLDING COMPANY SAOG AND ITS SUBSIDIARIES

CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital RO	Legal reserve RO	Retained earnings RO	Total equity RO
Parent Company				
As at 1 January 2021	12,187,500	4,062,500	4,029,102	20,279,102
Profit for the year	-	-	1,663,715	1,663,715
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	1,663,715	1,663,715
As at 31 December 2021	12,187,500	4,062,500	5,692,817	21,942,817
As at 1 January 2022	**12,187,500**	**4,062,500**	**5,692,817**	**21,942,817**
Profit for the year	-	-	**2,276,986**	**2,276,986**
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	**2,276,986**	**2,276,986**
As at 31 December 2022	**12,187,500**	**4,062,500**	**7,969,803**	**24,219,803**

The accompanying notes on pages 11 to 50 form an integral part of these consolidated and separate financial statements.

The report of the Auditor is set forth on page 1.

OMAN AND EMIRATES INVESTMENT HOLDING COMPANY SAOG AND ITS SUBSIDIARIES

CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 Group RO	2021 Group RO	2022 Parent RO	2021 Parent RO
Cash flows from operating activities					
Profit before tax		**1,774,495**	2,168,486	**2,276,986**	1,663,715
Adjustments for:					
Share of loss/(profit) of equity accounted investees	9	**65,290**	(415,612)	**(272,533)**	(75,672)
Share of (profit)/loss of subsidiaries	10	**-**	-	**277,208**	(375,307)
Depreciation/amortisation		**446,280**	451,118	**235,467**	235,859
Dividends income		**(753,691)**	(878,252)	**(631,506)**	(770,134)
Interest income	22	**(10,984)**	-	**(10,984)**	-
Unrealised gains on financial assets at FVTPL	7	**(477,636)**	(1,603,794)	**(791,843)**	(982,499)
Realised gains on financial assets at FVTPL	7	**(2,167,844)**	(952,216)	**(2,072,147)**	(820,642)
Loss from change in fair value of investment property		**-**	30,000	**-**	-
Employees end of service benefits	19	**22,797**	23,599	**10,116**	8,789
Gain on modification of lease		**-**	(10,441)	**-**	-
Provision for expected credit losses – net		**(151,408)**	(27,880)	**(130,875)**	-
Finance cost		**519,749**	691,534	**386,001**	606,498
Cash used before working capital changes		**(732,952)**	(523,458)	**(724,110)**	(509,393)
Changes in working capital:					
Trade and other receivables		**(253,283)**	203,070	**(34,942)**	102,444
Trade and other payables		**728,543**	(375,680)	**524,268**	184,544
Inventories		**(21,862)**	29,080	**-**	-
Cash used in operations		**(279,554)**	(666,988)	**(234,784)**	(222,405)
Finance cost paid		**(519,749)**	(688,000)	**(386,001)**	(606,498)
Employees' end of service benefits paid	19	**(149,217)**	(17,811)	**(124,157)**	(6,402)
Net cash used in operating activities		**(948,520)**	(1,372,799)	**(744,942)**	(835,305)
Cash flows from investing activities					
Purchase of property, plant and equipment		**(23,814)**	(11,423)	**(371)**	-
Dividends and interest income received		**764,675**	878,252	**642,490**	770,134
Dividends from equity accounted investees		**236,187**	118,862	**151,285**	-
Proceeds from disposal of financial assets at FVTPL		**10,490,244**	5,931,684	**8,632,067**	4,586,473
Proceeds from disposal of associates		**-**	3,475,202	**-**	3,475,202
Purchase of financial assets at FVTPL		**(2,005,053)**	(1,484,840)	**-**	-
Net cash generated from investing activities		**9,462,240**	8,907,737	**9,425,472**	8,831,809
Cash flow from financing activities					
Proceeds from term loans		**67,211**	181,061	**67,211**	181,061
Payment of term loans		**(1,046,188)**	(5,350,447)	**(1,046,188)**	(5,350,447)
Repayment of GSL		**(6,300,000)**	(1,200,000)	**(6,300,000)**	(1,200,000)
Payment of finance lease liability		**15,503**	(20,944)	**-**	-
Net cash used in financing activities		**(7,294,480)**	(6,390,330)	**(7,278,977)**	(6,369,386)
Net change in cash and cash equivalents		**1,219,240**	1,144,608	**1,401,553**	1,627,118
Cash and cash equivalents at beginning of the year		**1,197,028**	52,420	**(541,401)**	(2,168,519)
Cash and cash equivalents at end of the year	5	**2,416,268**	1,197,028	**860,152**	(541,401)

The accompanying notes on pages 11 to 50 form an integral part of these consolidated and separate financial statements.

The report of the Auditor is set forth on page 1.

1 Legal status and principal activities

Oman and Emirates Investment Holding Company SAOG (the "Parent Company") is registered as an Omani joint stock company. It is engaged in investment activities and related services in accordance with Royal Decree No. 10/93 and its Articles of Association. The Parent Company operates in the Sultanate of Oman under the Commercial Companies Law of the Sultanate of Oman 2019. It 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 2022	2021	Principal Activities
Subsidiaries				
Omani Euro Food Industries Company SAOG	Oman	81	81	Manufacture of baby food
The Financial Corporation Company SAOG	Oman	51	51	Financial services
Equity accounted investees				
Oman Hotels and Tourism Company SAOC	Oman	32	32	Hospitality services
Oman Fiber Optic Company SAOC	Oman	21	21	Fiber optic products

2 Basis of accounting

These consolidated and separate financial statements for the year ended 31 December 2022 comprise the results and balances of the Parent Company and its subsidiaries (together "the Group"). The separate financial statements represent the financial statements of the Parent Company on a standalone basis. These consolidated and separate financial statements are prepared in accordance with International Financial Reporting Standards (IFRSs) and applicable requirements of Commercial Companies Law of the Sultanate of Oman, 2019 and the disclosure requirements of the Capital Markets Authority (CMA).

The consolidated and separate statement of financial position is prepared in descending order of liquidity, as the presentation is more appropriate in the Group's operations.

The Group's consolidated and separate statement of financial position is not presented using a current/non-current classification. However, the balances that would generally be classified as current assets are: cash and bank balances, trade and other receivables, inventories and financial assets at amortised cost. The balances that would generally be classified as non-current assets are: financial assets at FVTPL, investments in equity accounted investees, investments in subsidiaries, property, plant and equipment, investment properties, right of use assets and deferred tax assets.

The balances that would generally be classified as current liability is bank overdraft. The balances that are normally of mixed nature (including both current and non-current portions) are trade and other payables, lease liability, term loans, loans from Governments and deferred Government grants.

(a) Use of judgements and estimates

The preparation of consolidated and separate financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies.

Estimates and judgements are reviewed regularly and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of investment in equity accounted investees and subsidiaries

The Group reviews its investment in equity accounted investees and subsidiaries periodically and evaluates for objective evidence of impairment. Objective evidence includes the performance of equity accounted investees and subsidiaries, the future business model, local economic conditions and other relevant factors.

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

2 Basis of accounting (continued)

(a) Use of judgements and estimates (continued)

Inventories

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

Impairment of goodwill

The Group tests annually whether goodwill has impaired, considering projected cash flows, terminal growth rate and discount factors. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates.

Impairment of trade and other receivables

The impairment model applies to financial assets measured at amortised cost and debt investments at FVOCI, but not to investments in equity instruments. For assets in the scope of the IFRS 9 impairment model, impairment losses are generally expected to increase and become more volatile.

Fair value measurement

Management uses various valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case, management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

(b) Functional and presentation currency

The consolidated and separate financial statements are presented in Rials Omani, which is the Group's functional currency.

(c) Changes in significant accounting policies

New Standards adopted as at 1 January 2022

Some accounting pronouncements which have become effective from 1 January 2022 and have therefore been adopted, do not have a significant impact on the Group's financial results or position.

Standards, amendments and Interpretations to existing Standards that are not yet effective and have not been adopted early by the Group

At the date of authorisation of these consolidated and separate financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB or IFRIC. None of these Standards or amendments to existing Standards have been adopted early by the Group.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncements. New Standards, amendments and Interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on these consolidated and separate financial statements.

3 Significant accounting policies

The Group has consistently applied the following accounting policies to all periods presented. The consolidated and separate financial statements have been prepared using the measurement bases specified by IFRSs for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

3.1 Basis of accounting and consolidation

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group 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. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date when the Parent Company loses the control. The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiaries is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquire and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquire on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through consolidated statement of profit or loss. Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with the relevant accounting standard either in consolidated statement of profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiaries acquired, the difference is recognised in consolidated statement of profit or loss. Goodwill is tested for any impairment annually. Consequent to the amendment in IAS 27, effective 1 January 2017, the Parent Company has adopted equity method to account for its investment in subsidiaries for the purpose of its separate financial statements. Inter-company transactions, balances, income and expenses on transactions between Group companies are eliminated. Profit or loss resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interest 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 subsidiaries is recorded in equity. Gains or losses on disposals to non-controlling interest are also recorded in equity.

(c) Disposal of subsidiaries

When the Group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in consolidated and separate statement of comprehensive income. 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 entity are accounted for as if the Group had directly disposed of the related assets or liabilities. Consequently, amounts previously recognised in consolidated statement of other comprehensive income are reclassified to consolidated statement of profit or loss.

(d) Equity accounted investees

Equity accounted investees are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in equity accounted investees are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, including transaction cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in equity accounted investees includes goodwill identified on acquisition.

3 Significant accounting policies (continued)

3.1 Basis of accounting and consolidation (continued)

(d) Equity accounted investees (continued)

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in consolidated statement of other comprehensive income is reclassified to the consolidated statement of profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the consolidated and separate statement of comprehensive income, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equal or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/(loss) of an associate' in the consolidated and separate statement of profit or loss.

Profit or loss resulting from upstream and downstream transactions between the Group and its associate are recognised in the consolidated and separate financial statements only to the extent of unrelated investor's interests in the equity accounted investees. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

Consequent to the amendment in IAS 27, effective 1 January 2017, the Parent Company has adopted equity method to account for its investment in associated for the purpose of its separate financial statements.

3.2 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.

3.3 Foreign currency translation

(a) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated and separate statement of comprehensive income.

(b) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each consolidated and separate statement of financial position presented are translated at the closing rate at the reporting date;

(ii) income and expenses for each income statement are translated at average exchange rates; and all resulting exchange differences are recognised in consolidated and separate statement of other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings are taken to consolidated and separate statement of other comprehensive income.

3 Significant accounting policies (continued)

3.4 Property, plant and equipment

Property, plant and equipment is stated at historical cost, which includes capitalised borrowing costs, less accumulated depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the asset. The cost includes any other cost that is directly attributable to bringing the asset to a working condition for its intended use and the cost of dismantling and remove the item and restoring the site on which they are located. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated and separate statement of comprehensive income during the financial period in which they are incurred.

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

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

The depreciation methods, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other income' in the consolidated and separate statement of comprehensive income.

3.5 Investment properties

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

3.6 Intangible assets

Goodwill arising on acquisition of subsidiaries, equity accounted investees and joint ventures is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGUs, or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

3.7 Impairment of non-financial assets

Assets that have an indefinite useful life, for example, goodwill are not subject to amortisation or depreciation and are tested annually for impairment. Assets that are subject to amortization or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

3 Significant accounting policies (continued)

3.8 Financial assets and financial liabilities

(i) Classification and measurement of financial assets and financial liabilities

Financial assets

Under IFRS 9, on initial recognition, a financial asset is classified at: amortised cost: fair value through other comprehensive income (FVOCI) – debt investment: fair value through other comprehensive income – equity investment: or fair value through profit or loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows: and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets: and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in the consolidated and separate statement of other comprehensive income. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

The following accounting policies apply to the subsequent measurement of financial assets.

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in consolidated and separate statement of profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in consolidated and separate statement of profit or loss. Any gain or loss on derecognition is recognised in consolidated and separate statement of profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in consolidated and separate statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in consolidated and separate statement of other comprehensive income and are never reclassified to consolidated and separate statement of profit or loss.

3 Significant accounting policies (continued)

3.8 Financial assets and financial liabilities (continued)

(i) Classification and measurement of financial assets and financial liabilities (continued)

Financial assets (continued)

Business model assessment

In making an assessment of the objective of the business model in which a financial asset is held, the Group considers all of the relevant information about how the business is managed, including:

– the documented investment strategy and the execution of this strategy in practice. This includes whether the investment strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

– how the performance of the portfolio is evaluated and reported to the Group's management;

– the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

– how the investment manager is compensated: e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

– the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity. Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

The Group has determined that it has two business models.

– Held-to-collect business model: this includes cash and cash equivalents, balances due from brokers and receivables from reverse sale and repurchase agreements. These financial assets are held to collect contractual cash flow.

– Other business model: this includes debt securities, equity investments, investment in unlisted open-ended investment funds and unlisted private equities. These financial assets are managed and their performance is evaluated, on a fair value basis, with frequent sales taking place.

Assessment whether contractual cash flows are SPPI

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as a profit margin. In assessing whether the contractual cash flows are SPPI, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition unless the Group were to change its business model for managing financial assets, in which case all affected financial assets would be reclassified on the first day of the first reporting period following the change in the business model.

3 Significant accounting policies (continued)

3.8 Financial assets and financial liabilities (continued)

(i) Classification and measurement of financial assets and financial liabilities (continued)

Financial liabilities

Classification

Financial liabilities are classified as measured at amortised cost or FVTPL.

A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the consolidated and separate statement of profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in the consolidated and separate statement of profit or loss.

Derecognition

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the consolidated and separate statement of profit or loss.

Modification

The Group derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability derecognised and consideration paid is recognised in the consolidated and separate statement of profit or loss. Consideration paid includes non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability.

If the modification of a financial liability is not accounted for as derecognition, then the amortised cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognised in consolidated and separate statement of profit or loss. For floating-rate financial liabilities, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs and fees incurred are recognised as an adjustment to the carrying amount of the liability and amortised over the remaining term of the modified financial liability by re-computing the effective interest rate on the instrument.

3.9 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

The Group measures the fair value of a quoted instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction. The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e., the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price.

3 Significant accounting policies (continued)

3.9 Fair value measurement (continued)

Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the Group on the basis of the net exposure to either market or credit risk are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for the particular risk exposure.

Portfolio level adjustments – e.g., bid-ask adjustment or credit risk adjustments that reflect the measurement on the basis of the net exposure – are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

3.10 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the consolidated and separate statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRSs, or for gains and losses arising from a group of similar transactions such as in the Group's trading activity.

3.11 Impairment of financial assets

The impairment model applies to financial assets measured at amortised cost and debt investments at FVOCI, but not to investments in equity instruments.

The financial assets at amortised cost consist of trade and other receivables, cash and cash equivalents, and corporate debt securities.

Under IFRS 9, loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and

- lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured as 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and

- other debt securities and bank balances for which credit risk (i.e., the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

The Group has elected to measure loss allowances for trade and other receivables at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

3 Significant accounting policies (continued)

3.11 Impairment of financial assets (continued)

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or

- the financial asset is more than 90 days past due.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Presentation of impairment losses

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Impairment losses related to trade and other receivables are presented separately in the consolidated and separate statement of profit or loss.

3.12 Cash and cash equivalents

For the purpose of consolidated and separate statement of cash flows, cash and cash equivalents include cash in hand, all bank balances, including short term deposits with a maturity of three months or less from the date of placement and bank overdrafts.

3.13 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average cost method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

3.14 Government grants

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

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

3 Significant accounting policies (continued)

3.15 Income tax

The tax expense comprises current and deferred tax. Income tax expense is recognised in the consolidated and separate statement of profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in the consolidated and separate statement of comprehensive income. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is calculated using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affect neither the accounting nor taxable profits, and difference relating to subsidiaries and jointly controlled entities to the extent that they probably will not reverse in foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.16 End of service benefits and leave entitlements

Provision for end of service indemnity for non-Omani employees has been made in accordance with the terms of the Oman Labour Law and its amendments and is based on current remuneration rates and cumulative years of service at the consolidated and separate statement of financial position date. Employee's entitlements to annual leave and leave passage are recognised when they accrue to the employees up to the reporting date. These accruals are included in current liabilities, while that relating to end of service benefits is disclosed as a non-current liability.

Contributions to a defined contribution retirement plan for Omani employees in accordance with the Omani Social Insurance Law are recognised as an expense in the consolidated and separate statement of profit or loss as incurred.

3.17 Provisions, contingent assets and contingent liabilities

Provisions are recognised when present obligations will probably lead to an outflow of economic resources from the Group and they can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events. Provisions are not recognised for future operating losses. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate of the Group's management.

In those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, no liability is recognised, unless it was assumed in the course of a business combination. These contingent liabilities are recognised in the course of the allocation of purchase price to the assets and liabilities acquired in the business combination. They are subsequently measured at the higher amount of a comparable provision as described above and the amount initially recognised, less any amortisation.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. Probable inflows of economic benefits to the Group that do not yet meet the recognition criteria of an asset are considered contingent assets.

3.18 Revenue recognition policy

The majority of the Group's revenue is derived from trading in equity securities of Companies.

The Group uses the following 5 steps model for revenue recognition.

1. Identifying the contract with a customer
2. Identifying performance obligation
3. Determining the transaction price
4. Allocating the transaction price to the performance obligation
5. Recognising revenue when/as performance obligations are satisfied

3 Significant accounting policies (continued)

3.18 Revenue recognition policy (continued)

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group 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 FVTPL includes all realised and unrealised fair value changes and foreign exchange differences, interest and dividend income, including dividend expense on securities sold short.

3.19 Directors' remuneration

The Directors' remuneration is governed as set out in the Memorandum of Association of the Group, the Commercial Companies Law and regulations issued by the Capital Market Authority.

3.20 Dividend distribution

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

3.21 Fiduciary assets

The Group provides trustee services to third parties, which involve the holding of the assets of the third parties. These assets that are held in a fiduciary capacity are not included in these consolidated and separate financial statements.

3.22 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

3.23 Operating expenses

Operating expenses are recognised in the consolidated and separate statement of profit or loss upon utilisation of the service or as incurred.

3.24 Share capital

Share capital represents the nominal value of shares that have been issued.

Retained earnings include current and prior period results recorded in the consolidated and separate statement of changes in equity.

4 Financial risk management

4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The overall risk management programme of the Group focuses on unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance.

The Board of Directors defines risk limits and sets suitable policies in this regard for management of credit risk, liquidity risk as well as market risk relating to the investment and liability management activities of the Group. Risk management is carried out by management in accordance with documented policies approved by the Board of Directors.

(a) Market risk

Foreign exchange risk

Foreign exchange risk is the risk arising from future commercial transactions or recognised financial assets or liabilities being denominated in a currency that is not the Group's functional currency.

The Group transactions are mainly denominated in Rial Omani, United Arab Emirates Dirham (UAE Dirham), Kuwaiti Dinar, United States Dollar (US Dollar), Euro and Saudi Riyal. The accounting record of the Parent Company's branch at Abu Dhabi is maintained in UAE Dirham. The Group is not exposed to foreign exchange risk for its net assets denominated in UAE Dirham and US Dollar as the functional currency and UAE Dirham is pegged with US Dollar. Any changes in exchange rate relating to Kuwaiti Dinar and Euro are not material to the Group.

Interest rate risk

Interest rate risk is the uncertainty of future earnings resulting from fluctuations in interest rates. The risk arises when there is a mismatch in the assets and liabilities, which are subject to interest rate adjustment within a specified period. The Group is exposed to interest rate risk on its interest-bearing assets and liabilities including bank deposits, bank overdrafts and term loans. Assets and liabilities carrying variable rates expose the Group to cash flow interest rate risk.

Financial assets at amortised cost and loan from Governments carry fixed interest rate. Assets or liabilities carrying fixed interest and measured at amortised cost are independent of the short-term changes of the applicable interest rates. Such assets or liabilities do not expose the Group to interest rate risk.

The Group place bank deposits or borrow funds in accordance with liquidity management policies. The bank deposits are of short term nature and repriced at the time of maturity. The Group borrowings, overdraft and term loans are at commercial terms which reprice yearly or more frequently. Such frequent re-pricing exposes the Group to interest rate risk. The Group carries out periodic analysis and monitors the market interest rates fluctuations taking into consideration the Group's needs. In case of material market rate fluctuations, the terms of the deposits and borrowings are renegotiated with the banks and whenever necessary reinvested or borrowed.

If the variable interest would have changed by 50 basis points for the year based on average borrowing level and with all other variable held constant, the profit for the Group and the Parent Company would have been lower/higher by RO 14,832 (2021: RO 35,772) and RO 14,490 (2021: RO 35,285), respectively, as per details given below:

	Group		Parent	
	2022 RO	2021 RO	2022 RO	2021 RO
Financial liabilities:				
At 1 January	**3,731,170**	10,577,806	3,662,827	10,451,054
At 31 December	**2,201,723**	3,731,170	2,133,415	3,662,827
Average outstanding	**2,966,447**	7,154,488	2,898,121	7,056,941
Impact of 50 basis point on average	**14,832**	35,772	14,490	35,285

4 Financial risk management (continued)

4.1 Financial risk factors (continued)

(a) Market risk (continued)

Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether these changes are caused by factors specific to the individual security, or its issuer, or factors affecting all securities in the market.

The Group trades in financial instruments to take advantage of short term and long term capital market movements. All investment securities present a risk of loss of capital. The Group controls this risk through a careful selection of securities and other financial instruments within specified limits. The maximum risk resulting from financial instruments is determined by the carrying amount of the financial instruments. The Group's overall market positions for listed securities are monitored on a daily basis by the Investment Manager and are reviewed periodically. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

The table below summarises the impact of increases/decreases of the country wise indices on the Group's profit and equity for the year. The analysis is based on the assumption that the equity indices had increased/decreased by 5% with all other variables held constant and all the companies' equity instruments moved according to the historical correlation with the index.

Impact on the (loss)/profit due to quoted equity assets held and classified as financial assets at fair value through profit or loss:

	Group		Parent	
	2022 RO	2021 RO	2022 RO	2021 RO
Oman	**7,841,267**	6,915,935	**7,219,158**	6,859,886
GCC and others	**3,699,620**	4,852,926	**1,127,713**	1,652,572
Total	**11,540,887**	11,768,861	**8,346,871**	8,512,458
5% increase or decrease	**577,044**	588,443	**417,344**	425,623

(b) Credit risk

Credit risk is managed on group basis, except for credit risk relating to accounts receivable balances. Each entity is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Credit risk arises from bank balances, financial assets at amortised cost and credit exposures to customers, including outstanding amounts from related parties. Management 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. The utilisation of credit limits is regularly monitored.

The Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counter parties and continually assessing the creditworthiness of counter parties. In monitoring customer credit risk, customers are assessed based on whether they are individuals or legal entity, their ageing profile, maturity and existence of previous financial difficulties.

The Group limits its credit risk with regard to bank deposits by dealing with reputable banks only.

4 Financial risk management (continued)

4.1 Financial risk factors (continued)

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. It includes the risk of being unable to fund assets at appropriate maturities and rates and the risk of being unable to liquidate an asset at a reasonable price and in an appropriate time frame.

In accordance with prudent liquidity risk management, the Group aims to maintain sufficient cash and an adequate amount of committed credit facilities.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

(i) The contractual maturity profile of the financial liabilities of the Group is as follows. The amounts shown below are gross and discounted.

	Up to 3 months RO	3 to 12 months RO	1 to 5 years RO	Over 5 years RO	Total RO
31 December 2022					
Financial liabilities					
Loans from Governments	-	3,500,000	6,961,120	-	**10,461,120**
Term loans	-	974,032	1,147,801	-	**2,121,833**
Trade and other payables	-	2,656,906	-	-	**2,656,906**
Bank overdrafts	-	79,890	-	-	**79,890**
Total liabilities	-	**7,210,828**	**8,108,921**	-	**15,319,749**

The amounts shown below are gross and discounted.

	Up to 3 months RO	3 to 12 months RO	1 to 5 years RO	Over 5 years RO	Total RO
31 December 2021					
Financial liabilities					
Bank overdrafts	630,360	-	-	-	630,360
Trade and other payables	2,054,192	-	-	-	2,054,192
Term loans	816,162	809,871	1,474,777	-	3,100,810
Loans from Governments	-	6,868,344	9,268,580	-	16,136,924
Total liabilities	3,500,714	7,678,215	10,743,357	-	21,922,286

(ii) The contractual maturity profile of the financial liabilities of the Parent Company is as follows. The amounts shown below are gross and discounted.

	Up to 3 months RO	3 to 12 months RO	1 to 5 years RO	Over 5 years RO	Total RO
31 December 2022					
Financial liabilities					
Bank overdrafts	-	11,582	-	-	**11,582**
Trade and other payables	-	1,223,178	-	-	**1,223,178**
Term loans	-	974,032	1,147,801	-	**2,121,833**
Loans from Governments	-	2,500,000	4,308,120	-	**6,808,120**
Total liabilities	-	**4,708,792**	**5,455,921**	-	**10,164,713**

4 Financial risk management (continued)

4.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

	Up to 3 months RO	3 to 12 months RO	1 to 5 years RO	Over 5 years RO	Total RO
31 December 2021					
Financial liabilities					
Bank overdrafts	562.017	-	-	-	562.017
Trade and other payables	812.952	-	-	-	812.952
Term loans	816.162	809.871	1.474.777	-	3.100.810
Loans from Governments	-	6.300.000	6.183.924	-	12.483.924
Total liabilities	2.191.131	7.109.871	7.658.701	-	16.959.703

4.2 Capital management policies and procedures

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated and separate statement of financial position plus net debt.

	2022 Group RO	2021 Group RO	2022 Parent RO	2021 Parent RO
Total borrowings	**13,354,723**	21.184.170	9.633.415	17,462,827
Less: cash and bank balances	**(2,588,582)**	(1.919.812)	(964.158)	(113.040)
Net debt	**10,766,141**	19.264.358	8.669.257	17,349.787
Total equity	**23,156,885**	21.072.611	24.219.803	21,942.817
Total capital	**33,923,026**	40.336.969	32.889.060	39.292.604
Gearing ratio	**32%**	48%	26%	44%

4.3 Fair value estimation

The Group follows IFRS 13 for instruments that are measured in the consolidated and separate statement of financial position at fair value: this requires disclosure of fair value measurements by level of the following fair value measurement hierarchy.

The fair values of assets and liabilities that are traded in active markets are based on prices obtained directly from an exchange on which the instruments are traded or obtained from a broker that provides an unadjusted quoted price from an active market for identical instruments. For all other instruments, the Group determines fair values using other valuation techniques.

For instruments that trade infrequently and have little price transparency, fair value is less objective and requires varying degrees of judgement depending on liquidity, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

4 Financial risk management (continued)

4.3 Fair value estimation (continued)

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

– Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

– Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are not considered active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

– Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which observable market prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premiums used in estimation discount rates and equity prices, foreign currency exchange rates, equity indices, earnings before interest, tax and depreciation allowance (EBITDA) multiples and revenue multiples and expected price volatilities and correlations.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

i. Valuation approach for specific instruments

The following table presents the investments that are measured at fair value.

	Level 1 RO	Level 3 RO	Total RO
The Group			
31 December 2022			
Financial assets at fair value through profit or loss	**11,540,887**	**3,100,661**	**14,641,548**
31 December 2021			
Financial assets at fair value through profit or loss	11,767,861	8,713,398	20,481,259

	Level 1 RO	Level 3 RO	Total RO
The Parent Company			
31 December 2022			
Financial assets at fair value through profit or loss	**8,346,871**	**2,536,305**	**10,883,176**
31 December 2021			
Financial assets at fair value through profit or loss	8,512,458	8,138,795	16,651,253

4 Financial risk management (continued)

4.3 Fair value estimation (continued)

4.4 Financial instruments by category

The accounting policies of the Group for financial instruments have been applied to the line items below:

	Financial assets at FVTPL RO	Financial assets at amortised cost RO	Total RO
31 December 2022			
Financial assets at fair value through profit or loss	**14,641,548**	**-**	**14,641,548**
Financial assets at amortised cost	-	**2,099,271**	**2,099,271**
Cash and cash equivalents	-	**2,588,582**	**2,588,582**
Trade and other receivables	-	**1,487,530**	**1,487,530**
	14,641,548	**6,175,383**	**20,816,931**

	Financial liabilities RO
31 December 2022	
Bank overdrafts	**79,890**
Trade and other payables	**2,656,906**
Term loans	**2,121,833**
Loans from Governments	**10,461,120**
	15,319,749

	Financial assets at FVTPL RO	Financial assets at amortised cost RO	Total RO
31 December 2021			
Financial assets at fair value through profit or loss	20,481,259	-	20,481,259
Cash and cash equivalents	-	2,109,961	2,109,961
Financial assets at amortised cost	-	1,919,812	1,919,812
Trade and other receivables (excluding prepayments)	-	904,504	904,504
	20,481,259	4,934,277	25,415,536

	Financial liabilities RO
31 December 2021	
Bank overdrafts	562,017
Trade and other payables	2,172,776
Term loans	3,100,810
Loans from Governments	17,521,344
	23,356,947

The accounting policies of the Parent Company for financial instruments have been applied to the line items below:

	Financial assets at FVTPL RO	Financial assets at amortised cost RO	Total RO
31 December 2022			
Cash and cash equivalents	**-**	**964,158**	**964,158**
Trade and other receivables	**-**	**206,666**	**206,666**
Financial assets at fair value through profit or loss	**10,883,176**	**-**	**10,883,176**
Financial assets at amortised cost	**-**	**2,099,271**	**2,099,271**
	10,883,176	**3,270,095**	**14,153,271**

4 Financial risk management (continued)

4.4 Financial instruments by category (continued)

	Financial liabilities RO
31 December 2022	
Bank overdrafts	**11,582**
Trade and other payables	**1,223,178**
Term loans	**2,121,833**
Loans from Governments	**6,808,120**
	10,164,713

	Financial assets at FVTPL RO	Financial assets at amortised cost RO	Total RO
31 December 2021			
Cash and cash equivalents	-	113,040	113,040
Trade and other receivables (excluding prepayments)	-	19,344	19,344
Financial assets at fair value through profit or loss	16,651,253	-	16,651,253
Financial assets at amortised cost	-	2,109,961	2,109,961
	16,651,253	2,242,345	18,893,598

	Financial liabilities RO
31 December 2021	
Bank overdrafts	562,017
Trade and other payables	730,899
Term loans	3,100,810
Loans from Governments	13,800,000
	18,193,726

5 Cash and bank balances

	2022 Group RO	2021 Group RO	2022 Parent RO	2021 Parent RO
Cash in hand	**1,181**	841	**579**	8
Call and current accounts	**2,587,586**	1,919,744	**963,579**	113,032
Expected credit loss allowance	**(185)**	(773)	**-**	-
	2,588,582	1,919,812	**964,158**	113,040

(a) Call accounts carry interest rates at 0.5% (2021: 0.5%) per annum.

(b) The Parent Company's bank balance includes RO 92,424 (2021: RO 92,424) in a restricted account in lieu of unclaimed dividend.

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

	2022 Group RO	2021 Group RO	2022 Parent RO	2021 Parent RO
Cash and bank balances	**2,588,582**	1,919,812	**964,158**	113,040
Bank overdrafts (Note 18)	**(79,890)**	(630,360)	**(11,582)**	(562,017)
Restricted bank balance	**(92,424)**	(92,424)	**(92,424)**	(92,424)
	2,416,268	1,197,028	**860,152**	(541,401)

6 Trade and other receivables

	2022 Group RO	2021 Group RO	2022 Parent RO	2021 Parent RO
Amounts due from a related party (Note 32)	**25,811**	-	-	588
Trade receivables	**1,345,144**	905,543	-	-
Allowance for expected credit losses	**(148,394)**	(168,926)	-	-
	1,222,561	736,617	-	588
Other receivables	**329,139**	569,609	**311,256**	270,720
Allowance for expected credit losses	**(118,586)**	(249,462)	**(118,586)**	(249,461)
	210,553	320,147	**192,670**	21,259
Prepaid expenses	**54,416**	19,003	**13,996**	19,003
	1,487,530	1,075,767	**206,666**	40,850

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

	2022 Group RO	2021 Group RO	2022 Parent RO	2021 Parent RO
01 January	**418,388**	446,268	**249,461**	249,461
Charge for the year	-	22,651	-	-
Reversed during the year	**(151,408)**	(50,531)	**(130,875)**	-
31 December	**266,980**	418,388	**118,586**	249,461

(b) As at 31 December 2022, trade receivables of the Group amounting to RO 148,394 (2021: RO 168,927) were assessed as impaired and fully provided for.

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

7 Financial assets at fair value through profit or loss

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

	2022 Group RO	2021 Group RO	2022 Parent RO	2021 Parent RO
At 1 January	**20,481,259**	22,748,973	**16,651,253**	19,811,465
Purchases during the year	**2,005,053**	1,484,840	-	-
Sales during the year	**(8,322,400)**	(5,356,348)	**(6,559,920)**	(4,142,711)
Unrealised gains during the year	**477,636**	1,603,794	**791,843**	982,499
At 31 December	**14,641,548**	20,481,259	**10,883,176**	16,651,253
Realised gains on sale of investments	**2,167,844**	575,336	**2,072,147**	443,762

7 Financial assets at fair value through profit or loss (continued)

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

	2022 Group RO	2021 Group RO	2022 Parent RO	2021 Parent RO
Rial Omani	**10,726,619**	15,386,216	**9,540,828**	14,757,385
UAE Dirham	**2,192,439**	3,190,714	**1,342,348**	1,893,868
Saudi Rial	**1,301,281**	1,319,038	-	-
Qatari Rial	**335,113**	313,291	-	-
Kuwaiti Dinar	**85,422**	271,180	-	-
Others	**674**	820	-	-
	14,641,548	20,481,259	**10,883,176**	16,651,253

(b) A detailed sector wise analysis of financial assets at fair value through profit or loss is disclosed under Note 8.

(c) Financial assets at fair value through profit or loss of RO **4,836,309**(2021: RO 7,875,169) are pledged by Parent Company with commercial banks as security against credit facilities (Notes 20 and 21).

8 Investments analysis

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

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

	% of investment portfolio	Number of securities	Carrying and fair value RO	Original cost RO
Group – local quoted				
31 December 2022				
Bank Muscat SAOG	**16**	**18,377,370**	**5,053,777**	**2,134,017**
31 December 2021				
Bank Muscat SAOG	11	8,751,130	4,235,547	2,134,017
Parent – local quoted				
31 December 2022				
Bank Muscat SAOG	16	**18,377,370**	**5,053,777**	**2,134,017**
31 December 2021				
Bank Muscat SAOG	12	8,751,130	4,235,547	2,134,017

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

	Holding %	Number of securities	Carrying and fair value RO	Original cost RO
Group – local quoted				
31 December 2022				
Computer Stationery Industry Company SAOG	**14**	**1,443,710**	**375,365**	**468,504**
National Aluminium Products Company SAOG	**13**	**4,462,500**	**348,075**	**852,792**
			723,440	**1,321,296**
31 December 2021				
Computer Stationery Industry Company SAOG	14	1,443,710	375,365	468,504
National Aluminium Products Company SAOG	13	4,462,500	597,975	852,792
			973,340	1,321,296

8 Investments analysis (continued)

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

	Holding %	Number of Securities	Carrying and fair value RO	Original Cost RO
The Parent Company – local quoted				
31 December 2022				
Computer Stationery Industry Company SAOG	**14**	**1,443,710**	**375,365**	**468,504**
National Aluminium Products Company SAOG	**13**	**4,462,500**	**348,075**	**852,792**
			723,440	**1,321,296**
31 December 2021				
Computer Stationery Industry Company SAOG	14	1,443,710	375,365	468,504
National Aluminium Products Company SAOG	13	4,462,500	597,975	852,792
			973,340	1,321,296

Sector wise investment is as follows:

	2022		2021	
	Financial assets at fair value through profit or loss RO	Original cost RO	Financial assets at fair value through profit or loss RO	Original cost RO
Group				
Local quoted investments:				
Banking and investment sector	**6,336,146**	**2,723,702**	5,114,537	3,282,076
Manufacturing sector	**1,372,511**	**2,961,718**	1,717,016	3,017,768
Services and other sectors	**132,610**	**326,196**	84,382	268,474
	7,841,267	**6,011,616**	6,915,935	6,568,318
Overseas quoted investments:				
Banking and investment sector	**1,378,320**	**1,434,599**	2,521,174	1,903,102
Manufacturing sector	**1,523,504**	**960,249**	1,907,798	987,931
Services and other sectors	**797,796**	**1,004,206**	423,954	355,806
	3,699,620	**3,399,054**	4,852,926	3,246,839
Local unquoted investments:				
Banking and investment sector	**559,565**	**501,423**	574,433	494,210
Manufacturing sector	**2,325,787**	**2,385,641**	5,622,258	2,635,138
Services and other sectors	**-**	**-**	2,273,590	1,826,190
	2,885,352	**2,887,064**	8,470,281	4,955,538
Overseas unquoted investment:				
Banking and investment sector	**215,309**	**534,791**	242,117	534,918
	215,309	**534,791**	242,117	534,918
Total investments	**14,641,548**	**12,832,525**	20,481,259	15,305,613

8 Investments analysis (continued)

Sector wise investment is as follows (continued):

	2022		2021	
	Financial assets at fair value through profit or loss RO	Original cost RO	Financial assets at fair value through profit or loss RO	Original cost RO
Parent Company				
Local quoted investments:				
Banking and investment sector	5,761,524	2,164,967	5,114,537	3,282,076
Manufacturing sector	1,329,655	2,910,851	1,666,149	2,960,493
Services and other sectors	127,979	321,014	79,200	264,615
	7,219,158	5,396,832	6,859,886	6,507,184
Overseas quoted investments:				
Banking and investment sector	-	-	147,562	54,968
Services and other sectors	1,127,713	514,862	1,505,010	623,068
	1,127,713	514,862	1,652,572	678,036
Local unquoted investments:				
Banking and investment sector	308,142	250,000	323,010	250,000
Manufacturing sector	2,013,528	2,064,282	5,300,899	2,301,522
Services and other sectors	-	-	2,273,590	1,826,190
	2,321,670	2,314,282	7,897,499	4,377,712
Overseas unquoted investment:				
Banking and investment sector	214,635	533,970	241,296	533,970
	10,883,176	8,759,946	16,651,253	12,096,902

9 Investment in equity accounted investees

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

	2022 Group RO	2021 Group RO	2022 Parent RO	2021 Parent RO
At 1 January	16,100,249	18,901,821	14,110,383	17,133,033
Divestment made during the year	-	(3,366,312)	-	(3,366,312)
Share of (loss)/profit for the year	(65,290)	415,612	272,533	75,672
Realised gain on divestment of associate	-	376,880	-	376,880
Dividend received	(236,187)	(227,752)	(151,285)	(108,890)
At 31 December	15,798,771	16,100,249	14,231,630	14,110,383

(a) The carrying amount of investment in equity accounted investees includes unimpaired goodwill amounting to RO 3,704,608 (2021: RO 3,704,608).

(b) In the previous year, investments in equity accounted investees were pledged with commercial banks as security against credit facilities (Notes 20 and 21).

9 Investment in equity accounted investees (continued)

Equity accounted investees	Oman Hotels and Tourism Company SAOC RO 2022	RO 2021	Oman Fiber Optics Company SAOC RO 2022	RO 2021	Fincorp Al Amal Fund RO 2022	RO 2021	Total RO 2022	RO 2021
Summarised statement of financial position								
Assets								
Cash and bank balances	**40,510**	99,362	**2,284,224**	1,489,545	**108,484**	178,402	**2,433,218**	1,767,309
Investments	**19,918,285**	19,715,947	**-**	-	**3,793,820**	5,520,597	**23,712,105**	25,236,544
Other assets	**19,187,873**	18,239,888	**21,872,477**	20,947,779	**359,440**	166,999	**41,419,790**	39,354,666
	39,146,668	38,055,197	**24,156,701**	22,437,324	**4,261,744**	5,865,998	**67,565,113**	66,358,519
Total liabilities	**(11,871,145)**	(10,618,035)	**(7,093,820)**	(6,197,236)	**(23,768)**	(196,863)	**(18,988,733)**	(17,012,134)
Net assets	**27,275,523**	27,437,162	**17,062,881**	16,240,088	**4,237,976**	5,669,135	**48,576,380**	49,346,385
Summarised statement of comprehensive income								
Net revenue	**2,402,582**	1,737,907	**18,539,150**	15,680,159	**-**	-	**20,941,732**	17,418,066
Investment and other income	**574,828**	654,316	**75,572**	332,185	**(832,221)**	1,691,005	**(181,821)**	2,677,506
Expenses	**(3,248,824)**	(2,675,229)	**(16,764,938)**	(15,350,005)	**(122,110)**	(324,631)	**(20,135,872)**	(18,349,865)
(Loss)/profit before tax	**(271,414)**	(283,006)	**1,849,784**	662,339	**(954,331)**	1,366,374	**624,039**	1,745,707
Income tax	**109,775**	150,786	**(305,479)**	(101,410)	**-**	-	**(195,704)**	49,376
(Loss)/profit after tax	**(161,639)**	(132,220)	**1,544,305**	560,929	**(954,331)**	1,366,374	**428,335**	1,795,083
Other comprehensive income	**-**	-	**-**	-	**-**	-	**-**	-
Total comprehensive (loss)/income	**(161,639)**	(132,220)	**1,544,305**	560,929	**(954,331)**	1,366,374	**428,335**	1,795,083

9 Investment in equity accounted investees (continued)

	Oman Hotels and Tourism Co SAOC		Oman Fiber Optics Co SAOC		Fincorp Al Amal Fund		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	RO	RO	RO	RO	RO	RO	RO	RO
Reconciliation of summarised financial information								
Opening net assets at 1 January *	22,067,872	22,200,092	16,240,088	15,679,159	5,669,135	8,207,833	43,977,095	46,087,084
(Loss)/profit for the year	(161,639)	(132,220)	1,544,305	560,929	(954,331)	1,366,374	428,335	1,795,083
Net units subscription	-	-	-	-	(232,905)	(3,043,071)	(232,905)	(3,043,071)
Dividends paid	-	-	(721,512)	-	(243,923)	(447,511)	(965,435)	(447,511)
Closing net assets at 31 December	21,906,233	22,067,872	17,062,881	16,240,088	4,237,976	6,083,625	43,207,090	44,391,585
Interest in equity accounted investees								
Holding – %	31.72%	31.72%	20.97%	20.97%	-	-		
– RO	6,949,284	7,000,560	3,577,738	3,405,215	-	-	10,527,022	10,405,775
Goodwill	2,713,227	2,713,227	991,381	991,381	-	-	3,704,608	3,704,608
Carrying value	9,662,511	9,713,787	4,569,119	4,396,596	-	-	14,231,630	14,110,383
Cost of investments	5,328,367	5,328,367	2,742,573	2,742,573	-	-	8,070,940	8,070,940
Dividends received	-	-	151,286	-	-	108,890	151,286	108,890
Share of results	-51,272	-41,940	323,841	117,627	-	-	272,569	75,672

* Opening net assets of Oman Hotels and Tourism Company SAOC does not include RO 5,286,349 relating to a revaluation of the assets carried in its books which are now revalued at RO 5,310,244.

10 Investment in subsidiaries

	Holding %	Cost RO	Impairment allowance RO	Revised cost RO	Opening carrying value RO	Share of results RO	Transfer to associate RO	Closing carrying value RO
31 December 2022								
Omani Euro Food Industries Company SAOG	81	1,616,747	1,616,747	-	-	-	-	-
The Financial Corporation Company SAOG	51	5,083,591	1,383,604	3,699,987	3,873,243	(277,208)	-	3,596,035
		6,700,338	3,000,351	3,699,987	3,873,243	(277,208)	-	3,596,035
31 December 2021								
Omani Euro Food Industries Company SAOG	81	1,616,747	1,616,747	-	-	-	-	-
The Financial Corporation Company SAOG	51	5,083,591	1,383,604	3,699,987	3,497,936	375,307	-	3,873,243
		6,700,338	3,000,351	3,699,987	3,497,936	375,307	-	3,873,243

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

- The Parent Company pledged partially its investment in subsidiaries with commercial banks against credit facilities (Notes 20 and 21).

10 Investment in subsidiaries (continued)

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

Subsidiaries	The Financial Corporation Company SAOG		Omani Euro Food Industries Company SAOG		Total	
	RO 2022	RO 2021	RO 2022	RO 2021	RO 2022	RO 2021
Summarised statement of financial position						
Assets						
Cash and bank balances	**1,535,154**	1,483,417	**89,271**	323,355	**1,624,425**	1,806,772
Investments	**3,758,372**	3,830,006	**-**	-	**3,758,372**	3,830,006
Other assets	**2,673,841**	3,043,567	**3,206,958**	2,824,955	**5,880,799**	5,868,522
Total assets	**7,967,367**	8,356,990	**3,296,229**	3,148,310	**11,263,596**	11,505,300
Total liabilities	**943,661**	791,846	**4,611,091**	4,224,782	**5,554,752**	5,016,628
Net assets	**7,023,706**	7,565,144	**(1,314,862)**	(1,076,472)	**5,708,844**	6,488,672
Share of non-controlling interest	**3,427,672**	3,691,901	**(251,941)**	(206,263)	**3,175,731**	3,485,638
Summarised statement of comprehensive income						
Net revenue	**289,106**	357,534	**198,011**	191,319	**487,117**	548,853
Investment and other income	**(382,786)**	1,248,577	**17,807**	18,336	**(364,979)**	1,266,913
Expenses	**(447,629)**	(550,457)	**(454,208)**	(385,230)	**(901,837)**	(935,687)
Profit/(loss) before tax	**(541,309)**	1,055,654	**(238,390)**	(175,575)	**(779,699)**	880,079
Income tax	**(129)**	(322,609)	**-**	-	**(129)**	(322,609)
Profit/(loss) after tax	**(541,438)**	733,045	**(238,390)**	(175,575)	**(779,828)**	557,470
Profit/(loss) attributable to the Parent	**(541,438)**	733,045	**(238,390)**	(175,575)	**(779,828)**	557,470
Other comprehensive income	**-**	-	**-**	-	**-**	-
Total comprehensive income/(loss) for the year	**(541,438)**	733,045	**(238,390)**	(175,575)	**(779,828)**	557,470

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

11 Financial assets at amortised cost

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

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

	2022 Group RO	2021 Group RO	2022 Parent RO	2021 Parent RO
As at 1 January	**2,109,961**	2,120,651	**2,109,961**	2,120,651
Amortisation of placement fee	**(10,690)**	(10,690)	**(10,690)**	(10,690)
As at 31 December	**2,099,271**	2,109,961	**2,099,271**	2,109,961

- During the year, dividend earned on the above investment amounted to RO 216,753 (2021: RO 204,526).

12 Property, plant and equipment

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

	Building RO	Plant and machinery RO	Furniture and fixtures RO	Office equipment RO	Vehicles RO	Total RO
Cost						
1 January 2021	1,996,407	6,706,987	875,471	194,056	217,828	9,990,749
Additions during the year	-	6,765	677	3,981	-	11,423
31 December 2021	1,996,407	6,713,752	876,148	198,037	217,828	10,002,172
Accumulated depreciation						
1 January 2021	978,389	5,239,081	604,137	133,529	213,632	7,168,768
Charge for the year	48,210	143,659	82,708	24,793	2,332	301,702
31 December 2021	1,026,599	5,382,740	686,845	158,322	215,964	7,470,470
Net book value	969,808	1,331,012	189,303	39,715	1,864	2,531,702

(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 184,853 (2021: RO 184,605) and administration expenses RO 113,241 (2021: RO 117,097).

12 Property, plant and equipment (continued)

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

	Building RO	Furniture and fixtures RO	Office equipment RO	Vehicles RO	Total RO
Cost	345,000	331,975	88,516	137,595	903,086
31 December 2021	345,000	331,975	88,516	137,595	903,086
Accumulated depreciation					
1 January 2021	19,550	94,111	36,264	137,176	287,101
Charge for the year	13,800	66,408	20,342	419	100,969
31 December 2021	33,350	160,519	56,606	137,595	388,070
Net book value	311,650	171,456	31,910	-	515,016

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

12.1 Right-of-use asset and lease liability

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

	Group 31 December 2022 RO	Group 31 December 2021 RO
As at 1 January	**43,577**	116,190
Adjustment due to modification in lease	**355,283**	(58,087)
Depreciation	**(13,295)**	(14,526)
As at 31 December	**385,565**	43,577

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

	31 December 2022 RO	31 December 2021 RO
Current	**18,570**	13,115
Non-current	**381,145**	40,339
	399,715	53,454

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

Each lease generally imposes a restriction that, unless there is a contractual right for the Subsidiary Company to sublet the asset to another party, the right-of-use asset can only be used by the Subsidiary Company. 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 Company is prohibited from selling or pledging the underlying leased assets as security.

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

	Minimum lease payments due						
	Within one year RO	1-2 years RO	2-3 years RO	3-4 years RO	4-5 years RO	After 5 years RO	Total RO
Lease payments	20,624	20,624	20,624	20,624	23,718	775,848	882,062
Finance charges	(2,054)	(3,003)	(3,903)	(4,757)	(6,404)	(462,226)	(482,347)
Net present value	18,570	17,621	16,721	15,867	17,314	313,622	399,715

13 Investment properties

The investment properties relating to the Group are stated at cost. The market value of these properties as at 31 December 2022 are approximate to their carrying amount.

The movement in the investment properties is as follows:

	2022 Group RO	2021 Group RO
At 1 January	**3,074,850**	3,229,050
Less: Depreciation	**(124,200)**	(124,200)
Less: Impairment charged	-	(30,000)
At 31 December	**2,950,650**	3,074,850

	2022 Parent RO	2021 Parent RO
At 1 January	**2,804,850**	2,929,050
Less: Depreciation	**(124,200)**	(124,200)
At 31 December	**2,680,650**	2,804,850

14 Deferred tax asset

(a) Deferred tax is calculated on all material temporary differences under the liability method using a principal tax rate of 15% (2021: 15%). The deferred tax pertains to the FINCORP (a Subsidiary) has recognised a deferred tax asset amounting to RO 78,367 (2021: RO 78,496) as at 31 December 2022 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 129 (2021: RO 322,609) has been recognised in the income statement. The deferred tax asset recognised in the Group's consolidated statement of financial position is related to the following:

	1 January RO	Credited / (charged) to consolidated statement of comprehensive income RO	31 December RO
31 December 2022			
Deferred tax asset			
Tax effect of accelerated tax depreciation	**115**	**922**	**1,037**
Tax effect of provisions	**24,116**	**(2,747)**	**21,369**
Tax effect of change in fair value of investment	**(15,900)**	**-**	**(15,900)**
Tax effect of unrealised gains based on unquoted investments	**(18,086)**	**46,842**	**28,756**
Tax effect of unrealised gains on foreign quoted investments	**(127,040)**	**1,388**	**(125,652)**
Tax effect of losses	**215,291**	**(46,534)**	**168,757**
	78,496	**(129)**	**78,367**
31 December 2021			
Deferred tax asset			
Tax effect of accelerated tax depreciation	(915)	1,030	115
Tax effect of provisions	28,298	(4,182)	24,116
Tax effect of change in fair value of investment	-	(15,900)	(15,900)
Tax effect of unrealised gains based on unquoted investments	-	(18,086)	(18,086)
Tax effect of unrealised gains on foreign quoted investments	-	(127,040)	(127,040)
Tax effect of losses	373,722	(158,431)	215,291
	401,105	(322,609)	78,496

15 Share capital

	2022 RO	2021 RO
Authorised – 200,000,000 shares of RO 0.100 each	**20,000,000**	20,000,000
Issued and paid up capital – 121,875,000 shares of RO 0.100 each	**12,187,500**	12,187,500

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

	%	2022 Number of shares	2021 Number of shares
Abu Dhabi Investment Company, UAE	**30.00**	**36,562,500**	36,562,500
Al Khonji Investments LLC and Group, Oman	**21.16**	**25,791,833**	24,746,833

16 Legal reserve

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

17 Revaluation reserve

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

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

	2022 Group RO	2021 Group RO
Equity accounted investees	**1,684,561**	1,684,561

18 Bank overdrafts

	2022 Group RO	2021 Group RO	2022 Parent RO	2021 Parent RO
Banks in Oman (Note a)	**79,890**	398,247	**11,582**	329,904
Banks in UAE (Note b)	**-**	232,113	**-**	232,113
	79,890	630,360	**11,582**	562,017

(a) The Group and the Parent Company's Rial Omani overdraft facilities carry effective annual interest rates ranging from 6.00% to 6.50% (2021: 5.75% to 6.25%) per annum. The overdraft is secured by pledge over the Parent Company's certain financial assets and investments in subsidiaries (Notes 7, 9 and 10).

(b) Previously the Group and The Parent Company's UAE Dirham overdraft facilities carried effective annual interest rate ranging from (2021 – 4.87% to 5.61%) per annum. The overdraft is secured by pledge over the Parent Company's certain financial assets and investments in subsidiaries (Notes 7, 9 and 10).

19 Trade and other payables

	2022 Group RO	2021 Group RO	2022 Parent RO	2021 Parent RO
Other payables and accruals (Note a)	**1,685,471**	1,342,266	**648,412**	433,006
Interest payables	**374,371**	87,878	**374,371**	87,878
Account payables	**256,568**	193,579	**20,183**	21,165
Due to Directors	**89,165**	61,490	**75,800**	52,450
Employees end of service benefits (Note b)	**133,322**	259,742	**11,988**	126,029
Unclaimed dividends	**92,424**	92,424	**92,424**	92,424
Contract liabilities	**10,097**	-	**-**	-
Amounts due to related parties	**7,874**	9,199	**-**	-
Provision for income tax	**7,614**	7,614	**-**	-
	2,656,906	2,054,192	**1,223,178**	812,952

(a) During 2020, the former CEO of the Parent Company filed a complaint with the Ministry of Manpower claiming an amount of RO 1,006,000 as compensation for loss of wages and unfair dismissal. The Ministry of Manpower transferred the case to the Primary Court of Muscat and the legal process moved from the Primary Court to the Appeal Court and finally to the Supreme Court on 12 December 2021.
The final verdict was issued by the Supreme Court on 30th January 2023 ruling a settlement of RO 396,745.824 plus RO 12,441. The Company had made a partial provision in previous financial statements and, accordingly, has now provided for the balance of RO 292,870.

19 Trade and other payables (continued)

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

	2022 Group RO	2021 Group RO	2022 Parent RO	2021 Parent RO
At 1 January	**259,742**	253,954	**126,029**	123,642
Charge for the year (Note 25)	**22,797**	23,599	**10,116**	8,789
Paid during the year	**(149,217)**	(17,811)	**(124,157)**	(6,402)
At 31 December	**133,322**	259,742	**11,988**	126,029

20 Term loans

	2022 Group RO	2021 Group RO	2022 Parent RO	2021 Parent RO
Banks in Oman (Note a)	**2,121,833**	2,941,591	**2,121,833**	2,941,591
Banks in UAE (Note b)	**-**	159,219	**-**	159,219
	2,121,833	3,100,810	**2,121,833**	3,100,810

(a) The Group and the Parent Company's Rial Omani term loans carry effective annual interest rates ranging from 3.75% to 6.25% (2021: 3.75% to 6.25%) per annum.

(b) The Group and the Parent Company's UAE Dirham term loans carry effective annual interest rates ranging from 4.87% to 5.61% (2021: 4.87% to 5.61%) per annum.

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

	2022 Group RO	2021 Group RO	2022 Parent RO	2021 Parent RO
Due within one year	**974,032**	1,626,033	**974,032**	1,626,033
Due after one year	**1,147,801**	1,474,777	**1,147,801**	1,474,777
	2,121,833	3,100,810	**2,121,833**	3,100,810

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

	2022 Group RO	2021 Group RO	2022 Parent RO	2021 Parent RO
At 1 January	**3,100,810**	8,270,196	**3,100,810**	8,270,196
Availed during the year	**67,211**	181,061	**67,211**	181,061
Repayment during the year	**(1,046,188)**	(5,350,447)	**(1,046,188)**	(5,350,447)
	2,121,833	3,100,810	**2,121,833**	3,100,810

(e) The term loan is secured against pledge of certain assets (Notes 7, 9 and 12).

21 Loans from Governments

	2022 Group RO	2021 Group RO	2022 Parent RO	2021 Parent RO
Loans from Governments availed by:				
-The Parent Company	**7,500,000**	13,800,000	**7,500,000**	13,800,000
-Omani Euro Food Industries Company SAOG	**3,653,000**	3,653,000	**-**	-
	11,153,000	17,453,000	**7,500,000**	13,800,000
Less: deferred Government grant relating to:				
-The Parent Company	**(691,880)**	(1,316,076)	**(691,880)**	(1,316,076)
-Omani Euro Food Industries Company SAOG	**-**	-	**-**	-
	(691,880)	(1,316,076)	**(691,880)**	(1,316,076)
	10,461,120	16,136,924	**6,808,120**	12,483,924

21 Loans from Governments (continued)

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

	2022 Group RO	2021 Group RO	2022 Parent RO	2021 Parent RO
Within 1 year	**3,500,000**	6,800,000	**2,500,000**	6,300,000
Within 1 - 2 years	**3,000,000**	3,000,000	**2,500,000**	2,500,000
Within 2 - 5 years	**4,653,000**	7,653,000	**2,500,000**	5,000,000
Total	**11,153,000**	17,453,000	**7,500,000**	13,800,000

(a) In 2001, the Parent Company received interest free loans of RO 7,500,000 each from the Government of Oman and UAE. The loan is repayable in 6 annual instalments commencing from November 2021. A further extension was granted and repayment of loan was now expected to commence from March 2021. Partial repayment of the first instalment amounting to RO 1.2 million was made on May 31, 2021 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 Company settled the third instalment of RO 2.5 million on November 24, 2022 and is now fully aligned with the repayment schedule.

(b) The loans obtained by Omani Euro Food Industries Company SAOG are arranged through a bank on behalf of the Government of Oman. In the year 2021, the repayment schedule of the Government soft loans have been 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.

22 Interest income

	2022 Group RO	2021 Group RO	2022 Parent RO	2021 Parent RO
Others	**10,984**	-	**10,984**	-

23 Gross profit on sale of food products

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

	2022 Group RO	2021 Group RO
Sales	**2,194,950**	2,047,555
Cost of sales	**(1,996,939)**	(1,856,236)
Gross profit	**198,011**	191,319

24 Other income

	2022 Group RO	2021 Group RO	2022 Parent RO	2021 Parent RO
Miscellaneous income	**110,810**	84,466	**41,010**	18,481

25 Staff costs

	2022 Group RO	2021 Group RO	2022 Parent RO	2021 Parent RO
Salaries and benefits	**758,959**	799,164	**337,039**	351,456
Employees end of service benefits	**22,797**	23,599	**10,116**	8,789
Post employees benefits	**28,274**	12,760	**12,442**	12,760
	810,030	835,523	**359,597**	373,005

26 Administrative expenses

	2022 Group RO	2021 Group RO	2022 Parent RO	2021 Parent RO
Depreciation	**237,441**	241,297	**224,776**	225,169
Other expenses	**132,709**	52,940	**14,418**	10,374
Legal and professional fees	**94,670**	91,070	**44,144**	58,083
Directors' sitting fees	**61,500**	103,762	**19,200**	14,050
Repairs and maintenance expenses	**55,889**	48,506	**24,248**	18,826
Securities market fees and charges	**45,322**	46,154	**21,736**	24,241
Postage, fax and telephone expenses	**24,409**	28,481	**6,900**	7,996
Rent expenses	**19,029**	19,662	**2,229**	2,162
Insurance expenses	**18,756**	14,676	**4,305**	4,453
Electricity and water expenses	**14,455**	14,194	**7,266**	6,360
Advertisement and promotion expenses	**5,820**	71,286	**4,457**	2,181
Travelling expenses	**6,977**	1,133	**5,109**	1,133
General meeting expenses	**6,495**	8,761	**6,495**	8,761
	723,472	741,922	**385,283**	383,789

27 Investment related expenses

	2022 Group RO	2021 Group RO	2022 Parent RO	2021 Parent RO
Brokerage expenses	**11,288**	-	**11,288**	10,157
Amortisation of placement charges	**10,690**	10,690	**10,690**	10,690
	21,978	10,690	**21,978**	20,847

28 Taxation

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

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

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

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

(e) For FINCORP, no provision for taxation has been made as this Subsidiary incurred loss in the current and earlier years.

29 Trust accounts

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

	2022 Group RO	2021 Group RO
Amounts held in:		
Non-discretionary trust accounts	**2,365,118**	2,519,903
Discretionary trust accounts	**118,131**	278,539
	2,483,249	2,798,442

30 Earnings/(loss) per share

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

	2022 Group	2021 Group	2022 Parent	2021 Parent
Net profit/(loss) for the year attributable to equity holders of the Parent Company (RO)	**2,084,274**	1,521,782	**2,276,986**	1,663,715
Weighted average number of shares outstanding during the year	**121,875,000**	121,875,000	**121,875,000**	121,875,000
Earnings/(loss) per share (RO)	**0.0171**	0.0125	**0.0187**	0.0137

31 Net assets per share

	2022 Group RO	2021 Group RO	2022 Parent RO	2021 Parent RO
Net assets	**23,156,885**	21,072,611	**24,219,803**	21,942,817
Net assets per share	**0.190**	0.173	**0.199**	0.180

32 Related party transactions and balances

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

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

	2022 Group RO	2021 Group RO	2022 Parent RO	2021 Parent RO
Sales and income:				
- Through associated companies	**74,778**	-	-	3,366,312
- Through subsidiary companies	-	-	-	4,586,473
- Other related parties	**35,040**	3,252,995	-	-
	109,818	3,252,995	-	7,952,785
Purchases and expenses				
- Through subsidiary companies	-	-	-	10,157
- Directors and key management personnel	**523,550**	661,409	**362,035**	323,553
- Other related parties	**462,586**	178,055	-	-
	986,136	839,464	**362,035**	333,710

32 Related party transactions and balances (continued)

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

	2022 Group RO	2021 Group RO	2022 Parent RO	2021 Parent RO
The Financial Corporation Company SAOG	**25,811**	-	-	588
	25,811	-	-	588

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

	2022 Group RO	2021 Group RO	2022 Parent RO	2021 Parent RO
Directors	**88,044**	61,490	**75,800**	52,450
Others	**8,995**	9,199	-	-
	97,039	70,689	**75,800**	52,450

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

	2022 Group RO	2021 Group RO	2022 Parent RO	2021 Parent RO
Directors' sitting fees	**61,500**	103,762	**19,200**	14,050
Directors' remuneration	**75,000**	50,000	**75,000**	50,000
Key management personnel				
- Short term benefits	**365,991**	506,714	**263,788**	258,570

33 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 consummate 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 follow.

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, profit and assets and liabilities is based primarily upon the location of the branch responsible for reporting the results.

	Oman		UAE		Total	
	2022 RO	2021 RO	2022 RO	2021 RO	2022 RO	2021 RO
Group						
A: Segment Results						
Sales	**2,194,950**	2,047,555	-	-	**2,194,950**	2,047,555
Less: cost of sales	**(1,996,939)**	(1,856,236)	-	-	**(1,996,939)**	(1,856,236)
Gross profit	**198,011**	191,319	-	-	**198,011**	191,319
Investment income	**3,357,363**	4,121,638	**41,809**	(687,377)	**3,399,172**	3,434,261
Interest income	**10,984**	-	-	-	**10,984**	-
Management fees	**120,140**	244,494	-	-	**120,140**	244,494
Brokerage income	**168,966**	102,883	-	-	**168,966**	102,883
Other income	**365,078**	139,467	-	118	**365,078**	139,585
Share of results from equity accounted investees	**(65,291)**	415,612	-	-	**(65,291)**	415,612
Total income	**4,155,251**	5,215,413	**41,809**	(687,259)	**4,197,060**	4,528,154
Interest expense	**(192,911)**	(322,025)	**(326,838)**	(369,509)	**(519,749)**	(691,534)
Depreciation and amortisation	**(237,441)**	(241,297)	**(10,690)**	(10,690)	**(248,131)**	(251,987)
Impairment of Receivable/payable	**(272,337)**	-	-	-	**(272,337)**	-
Provisions net -property	-	(30,000)	-	-	-	(30,000)
Other expenses	**(1,353,728)**	(1,364,201)	**(28,620)**	(21,946)	**(1,382,348)**	(1,386,147)
Reportable segment profit/(loss) before tax	**2,098,834**	3,257,890	**(324,339)**	(1,089,404)	**1,774,495**	2,168,486
B: Segment Assets:						
Investment in equity accounted investees	**15,798,771**	16,100,249	-	-	**15,798,771**	16,100,249
Other investments	**13,299,200**	18,587,390	**3,441,620**	4,003,830	**16,740,820**	22,591,220
Other assets	**9,802,243**	9,046,608	**402,127**	111,988	**10,204,370**	9,158,596
Total assets	**38,900,214**	43,734,247	**3,843,747**	4,115,818	**42,743,961**	47,850,065
Segment liabilities	**12,329,770**	15,768,109	**4,081,574**	7,523,707	**16,411,344**	23,291,816

34 Commitments and contingencies

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

(b) Guarantees:

	Group	
	2022	2021
	RO	RO
Bank guarantees	**15,000**	15,000