DHOFAR INTERNATIONAL DEVELOPMENT AND INVESTMENT HOLDING COMPANY SAOG AND ITS SUBSIDIARIES

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

Registered office and principal place of business:
P.O Box 2163, PC 211
Salalah
Sultanate of Oman

DHOFAR INTERNATIONAL DEVELOPMENT AND INVESTMENT HOLDING COMPANY SAOG AND ITS SUBSIDIARIES

CONSOLIDATED AND PARENT COMPANY UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2022

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CHAIRMAN'S REPORT
FOR THE THREE MONTHS ENDED 31 MARCH 2022

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the Unaudited Financial Results of Dhofar International Development & Investment Holding Company SAOG ("DIDIC") for the period ending 31 March 2022.

During the first three months of 2022, all the securities markets in the region, including Muscat Stock Exchange (MSX) showed gains in their respective indices. MSX improved marginally by 75 points and closed at 4205 points as on March 31, 2022 which is a 1.8% increase over the three months period. Most other indices in the GCC region witnessed a far better improvement for the period ranging from 8% to 17%. During this three months period, the Company's investments in equities recorded an increase of RO 1.175 million, on account of increase in prices of its key equity investments.

Group Consolidated Performance

During the three months period ending 31 March 2022, net profits were RO 3.48 million and the total comprehensive income attributable to our shareholders amounted to RO 2.71 million as compared to net profit of RO 2.61 million and total comprehensive profit of RO 1.44 million for the same period last year. The Group ended the first three months with total assets of RO 227.89 million, a marginal decrease of 1% while shareholders' equity of RO 123.06 million registered a considerable increase of 32% from the first three months of 2021 where total assets amounted to RO 230.07 million and shareholders' equity attributable to our shareholders was RO 93.52 million.

Performance of Key Associates

Bank Dhofar, our banking associate, reported net profit of RO 7.10 million for the three months period ended 31 March 2022 as compared to RO 8.99 million for the same period in 2021, representing a decline of 21%. This reduction in profits is mainly on account of incremental expected credit losses held by the management considering the post deferment economic scenario. The net interest income and income from Islamic financing activities increased to RO 28.92 million compared to RO 25.22 million during same period of 2021 registering an increase of 14.7%. However, non-funded income for the quarter was 40.6% lower compared to same period last year mainly due to reduction in investment income. Net loans and advances including Islamic financing witnessed a marginal drop of 1.5% and reached RO 3.26 billion as at 31 March 2022 as compared to RO 3.31 billion as at 31 March 2021. Similarly, customer deposits including Islamic deposits, decreased by 10.2% compared to comparative quarter of last year. Total shareholders' equity in the bank registered a decrease of 1%, reducing to RO 542.93 million from RO 548.14 million a year prior.

Dhofar Insurance, our insurance associate reported an impressive growth of 37% of gross premium written to RO 22.06 million from RO 16.05 million a year earlier for the three months period. Its net underwriting results showed an improvement of 8% from RO 2.61 million in the first three months of 2021 to RO 2.83 million a year later. It reported net profit of RO 1.35 million for the first three months period of 2022 as compared to RO 0.97 million a year earlier. The shareholders' equity has increased by 3%, from RO 25.42 million as at 31 March 2021 to RO 26.25 million as at 31 March 2022.

Oman Investment & Finance Company, our billing and collection associate that has also ventured into money exchange and contracting operations through two specialized subsidiaries, has continued noteworthy improvements in its group operations in the first three months of 2022, with net profits increasing to RO 1.36 million from RO 1.06 million a year earlier. This is mainly on account of the increase in OIFC's share of profits in its associates, mainly for Bank Sohar by 27% and a considerable reduction in their other operating costs. The Shareholder's equity decreased by 5%, from RO 27.51 million as at 31 March 2021 to RO 26.23 million as at 31 March 2022.

Acknowledgements

On behalf of the board of directors, I would like to extend our gratitude to the leadership of the CMA, CBO and MOCI for their continued support. I would also like to thank the management teams of DIDIC, our subsidiaries and associate companies for all their hard work and dedication.

Finally, we wish our country continued safety and stability under the wise leadership and guidance of His Majesty Sultan Haitham Bin Tarik, may God protect him and prolong his life.

Khalid Bin Mustahail Ahmed Al Mashani
Chairman

DHOFAR INTERNATIONAL DEVELOPMENT AND INVESTMENT HOLDING COMPANY SAOG AND ITS SUBSIDIARIES

UNAUDITED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2022

	Note	**Group 2022 RO**	**Parent Company 2022 RO**	Group 2021 RO	Parent Company 2021 RO
INCOME					
Dividend income	5	**1,288,721**	**1,223,967**	1,365,961	1,205,969
Net revenue of a subsidiary	6	**83,427**	-	120,026	-
Unrealised gain/(loss) on financial assets at fair value through profit or loss	7	**1,221,233**	**1,174,896**	944,800	912,571
Interest income		**98,682**	**153,856**	196,942	242,604
Other income		**19,345**	**20,746**	26,316	27,451
Total income		**2,711,408**	**2,573,465**	2,654,045	2,388,595
EXPENSES					
Administrative and general expenses	8	**(511,950)**	**(381,938)**	(399,482)	(277,767)
Depreciation	18	**(40,183)**	**(13,405)**	(46,336)	(20,241)
Total expenses		**(552,133)**	**(395,343)**	(445,818)	(298,008)
Operating profit/(loss)		**2,159,275**	**2,178,122**	2,208,227	2,090,587
Finance costs		**(1,666,638)**	**(1,493,476)**	(2,520,993)	(2,335,272)
Amortization of deferred finance cost	24e & 25	**(32,350)**	**(32,350)**	(83,121)	(83,121)
Share of loss from subsidiaries	13 (a)	-	**(192,009)**	-	(68,081)
Share of profit from associates	14 (a)	**3,018,755**	**3,018,755**	3,002,753	3,002,753
Profit for the period before tax		**3,479,042**	**3,479,042**	2,606,866	2,606,866
Income tax	9	-	-	-	-
Profit for the period		**3,479,042**	**3,479,042**	2,606,866	2,606,866
Other comprehensive income / (loss)					
Items that will not be subsequently reclassified to profit or loss					
Changes in fair value of financial assets through other comprehensive income	16 (a)	**(160,013)**	-	(386,698)	-
Share of other comprehensive loss of subsidiairies	13 (a)	-	**(160,013)**	-	(386,698)
Share of other comprehensive loss of associates	14 (a)	**(608,411)**	**(608,411)**	(780,441)	(780,441)
Other comprehensive loss for the period		**(768,424)**	**(768,424)**	(1,167,139)	(1,167,139)
Total comprehensive profit for the period		**2,710,618**	**2,710,618**	1,439,727	1,439,727
Basic earnings per share	27	**0.009**	**0.009**	0.010	0.010

The notes on pages 8 to 44 form an integral part of these financial statements.

DHOFAR INTERNATIONAL DEVELOPMENT AND INVESTMENT HOLDING COMPANY SAOG AND ITS SUBSIDIARIES

UNAUDITED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	Note	Group 2022 RO	Parent Company 2022 RO	Group 2021 RO	Parent Company 2021 RO
ASSETS					
Cash and bank balances	10	**1,493,166**	**897,601**	1,091,485	540,290
Receivables and prepayments	11	**5,314,199**	**9,445,603**	5,712,453	6,765,388
Inventories		**22,808**	**-**	22,497	-
Financial assets at fair value through profit or loss					
- Investment in equities	12	**44,637,057**	**29,814,849**	38,869,800	26,556,499
- Investment in term deposits	15	**1,830,000**	**1,830,000**	10,680,000	10,680,000
Financial assets at fair value through other comprehensive income	16	**9,887,158**	**-**	9,813,082	-
Investment in subsidiaries	13	**-**	**9,951,474**	-	10,485,080
Investment in associates	14	**159,163,434**	**159,163,434**	158,208,859	158,208,859
Loan to subsidiary	17	**-**	**4,950,000**	-	4,950,000
Investment property		**247,212**	**247,212**	247,212	247,212
Property and equipment	18	**5,293,623**	**566,948**	5,420,470	620,458
Total assets		**227,888,658**	**216,867,121**	230,065,858	219,053,786
EQUITY AND LIABILITIES					
Equity					
Share capital	19	**54,472,000**	**54,472,000**	25,872,000	25,872,000
Legal reserve	20	**9,360,367**	**9,360,367**	8,624,000	8,624,000
General reserve	21	**7,070,404**	**7,070,404**	7,070,404	7,070,404
Investment revaluation reserve	22	**(2,559,308)**	**(2,559,308)**	(5,897,935)	(5,897,935)
Retained earnings		**54,719,230**	**54,719,230**	57,848,770	57,848,770
Total equity due to shareholders of the Parent		**123,062,694**	**123,062,694**	93,517,239	93,517,239
LIABILITIES					
Other liabilities	23	**3,740,544**	**3,564,007**	10,353,775	10,196,086
Income tax payable	9	**-**	**-**	9,383	-
Loans and borrowings	24	**101,085,420**	**90,240,420**	101,381,268	90,536,268
Subordinated bonds	25	**-**	**-**	24,804,193	24,804,193
		104,825,964	**93,804,427**	136,548,619	125,536,547
Total equity and liabilities		**227,888,658**	**216,867,121**	230,065,858	219,053,786
Net assets per share	26	**0.301**	**0.301**	0.361	0.361

These financial statements were approved and authorised for issue by the Board of Directors on …………. and signed on their behalf by:

DIRECTOR **DIRECTOR**

The notes on pages 8 to 44 form an integral part of these financial statements.

DHOFAR INTERNATIONAL DEVELOPMENT AND INVESTMENT HOLDING COMPANY SAOG
AND ITS SUBSIDIARIES

UNAUDITED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2022

Group	**Share capital RO**	**Legal reserve RO**	**General reserve RO**	**Investment revaluation reserve RO**	**Retained earnings RO**	**Total RO**
At 1 January 2021	25,872,000	8,624,000	7,070,404	(4,730,796)	55,241,904	92,077,512
Comprehensive income						
Profit for the period	-	-	-	-	2,606,866	2,606,866
Other comprehensive loss						
Changes in fair value of financial assets through other comprehensive income	-	-	-	(386,698)	-	(386,698)
Share of other comprehensive loss of associates	-	-	-	(780,441)	-	(780,441)
Transfer to legal reserve	-	-	-	-	-	-
At 31 March 2021	25,872,000	8,624,000	7,070,404	(5,897,935)	57,848,770	93,517,239
At 1 January 2022	**54,472,000**	**9,012,463**	**7,070,404**	**(1,790,884)**	**52,030,959**	**120,794,942**
Comprehensive income						
Profit for the period	**-**	**-**	**-**	**-**	**3,479,042**	**3,479,042**
Other comprehensive loss						
Changes in fair value of financial assets through other comprehensive income	**-**	**-**	**-**	**(160,013)**	**-**	**(160,013)**
Share of other comprehensive loss of associates	**-**	**-**	**-**	**(608,411)**	**-**	**(608,411)**
Share of interest on Associate companies Tier 1 Capital Securities to retained earnings					**(442,866)**	**(442,866)**
Transfer to legal reserve	**-**	**347,904**	**-**	**-**	**(347,904)**	**-**
At 31 March 2022	**54,472,000**	**9,360,367**	**7,070,404**	**(2,559,308)**	**54,719,230**	**123,062,694**

The notes on pages 8 to 44 form an integral part of these financial statements.

DHOFAR INTERNATIONAL DEVELOPMENT AND INVESTMENT HOLDING COMPANY SAOG
AND ITS SUBSIDIARIES

UNAUDITED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2022

Parent Company	**Share capital RO**	**Legal reserve RO**	**General reserve RO**	**Investment revaluation reserve RO**	**Retained earnings RO**	**Total RO**
At 1 January 2021	25,872,000	8,624,000	7,070,404	(4,730,796)	55,241,904	92,077,512
Comprehensive loss						
Profit for the period	-	-	-	-	2,606,866	2,606,866
Other comprehensive loss						
Share of other comprehensive loss of subsidiairies	-	-	-	(386,698)	-	(386,698)
Share of other comprehensive loss of associates	-	-	-	(780,441)	-	(780,441)
Transfer to legal reserve	-	410,667	-	-	(410,667)	-
At 31 March 2021	25,872,000	9,034,667	7,070,404	(5,897,935)	57,438,103	93,517,239
At 1 January 2022	**54,472,000**	**9,012,463**	**7,070,404**	**(1,790,884)**	**52,030,959**	**120,794,942**
Comprehensive income						
Profit for the period	**-**	**-**	**-**	**-**	**3,479,042**	**3,479,042**
Other comprehensive loss						
Share of other comprehensive loss of subsidiairies	**-**	**-**	**-**	**(160,013)**	**-**	**(160,013)**
Share of other comprehensive loss of associates	**-**	**-**	**-**	**(608,411)**	**-**	**(608,411)**
Share of interest on Associate companies Tier 1 Capital Securities to retained earnings					**(442,866)**	**(442,866)**
Transfer to legal reserve	**-**	**347,904**	**-**	**-**	**(347,904)**	**-**
At 31 March 2022	**54,472,000**	**9,360,367**	**7,070,404**	**(2,559,308)**	**54,719,230**	**123,062,694**

The notes on pages 8 to 44 form an integral part of these financial statements.

DHOFAR INTERNATIONAL DEVELOPMENT AND INVESTMENT HOLDING COMPANY SAOG AND ITS SUBSIDIARIES

UNAUDITED INTERIM STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2022

	Group 2022 RO	**Parent Company 2022 RO**	Group 2021 RO	Parent Company 2021 RO
Cash flows from operating activities				
Receipt of dividends, rent and other income	**318,290**	**171,217**	440,084	179,099
Payments to creditors and employees	**(673,587)**	**(516,032)**	(467,666)	(314,883)
Interest received	**-**	**-**	237	-
Income tax paid	**9,286**	**-**	-	-
Net cash from operating activities	**(346,011)**	**(344,814)**	(27,345)	(135,784)
Cash flows from investing activities				
Purchase of property and equipment	**(5,166)**	**-**	(759)	(759)
Interest paid	**(216,040)**	**(22,307)**	(201,320)	(20,157)
Net cash used in investing activities	**(221,206)**	**(22,307)**	(202,079)	(20,916)
Cash flows from financing activities				
Paid to and on behalf of subsidiaries	**(256,043)**	**(376,043)**	(4,302)	(169,302)
Net cash (used in)/from financing activities	**(256,043)**	**(376,043)**	(4,302)	(169,302)
Net changes in cash and cash equivalents during the period	**(823,260)**	**(743,165)**	(233,726)	(326,002)
Cash and cash equivalents at the beginning of the year	**2,316,426**	**1,640,766**	1,325,211	866,292
Cash and cash equivalents at the end of the period	**1,493,165**	**897,601**	1,091,485	540,290

The notes on pages 8 to 44 form an integral part of these financial statements.

1 Legal status and principal activities

Dhofar International Development and Investment Holding Company SAOG ('the Parent Company') was formed on 9 December 1987 by Ministerial Decree no. 127/87 and is registered in the Sultanate of Oman as a public joint stock company.

The Parent Company's main activity is investment in businesses, marketable securities and promotion of new projects and its shares are listed on Muscat Securities Market. The Parent Company holds investments in subsidiary and associate companies, the details of which are set out below;

	Shareholding percentage 2022	Shareholding percentage 2021	**Country of incorporation**	**Principal Activities**
Subsidiary companies				
Dhofar Investment and Real Estate Services Company LLC	**99.9%**	99.9%	Oman	Investments and real estate related activities
Garden Hotel LLC	**99.9%**	99.9%	Oman	Hospitality services
Dhofar International Energy Services Company LLC	**99%**	99%	Oman	Energy related activities
Associate companies				
Financial Services Company SAOG	**46.15%**	46.15%	Oman	Brokerage and investment services
Oman Investment and Finance Company SAOG	**37.98%**	37.98%	Oman	Meter reading, billing, collection, customer services and debt factoring for utility providers
Dhofar Insurance Company SAOG	**36.59%**	36.59%	Oman	Insurance services
Omani Vegetable Oils and Derivatives Company LLC	**30.77%**	30.77%	Oman	Manufacture and distribution of vegetable oil
Salalah Medical Supplies Manufacturing Company LLC	**25%**	25%	Oman	Manufacture and sale of surgical disposables
Bank Dhofar SAOG	**24.38%**	24.38%	Oman	Banking services

2 Basis of preparation and adoption of new and amended IFRS

Basis of preparation

a) These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the relevant requirements of Commercial Companies Law of Sultanate of Oman and the Capital Market Authority (CMA).

The financial statements have been prepared on the historical cost basis, as modified to include the fair value of certain financial assets and liabilities.

2 Basis of preparation and adoption of new and amended IFRS (continued)

Basis of preparation (continued)

b) The Board of Directors of the Parent Company have reassessed the Parent Company's investment entity status in light of the requirements mentioned in IFRS 10. The Board has updated their strategy for certain core investments in 2020 and accordingly, they have concluded in the meeting held on 7 January 2020 that the Parent Company no longer meets all the qualifying criteria, particularly related to exit strategies for its certain core investments for 2020. Accordingly, the Parent Company ceases to be an investment entity under IFRS 10 from the date of the reassessment. The Parent Company prepared consolidated financial statements from 2020 by performing line by line consolidation for their subsidiaries and equity accounting for their investment in associates. As a result, the Parent Company shall apply IAS 27 - Separate Financial Statements and IAS 28 - Investments in Associates for accounting for its subsidiaries and associates respectively for 2020 and thereafter and any change will affect financial statements prospectively from the date of deemed acquisition.

IFRS 10 further states that the fair value of the subsidiary at the deemed acquisition date is considered as the deemed consideration when measuring any goodwill or gain from a bargain purchase that arises from the deemed acquisition. The deemed acquisition is considered as a business combination as per IFRS 3 'Business Combinations' and the Parent Company has completed purchase price allocation exercise.

c) These financial statements for the period ended 31 March 2022 comprise the Parent Company and its subsidiaries (together "the Group") and the Group's interest in its associates. The separate financial statements represent the financial statements of the Parent Company on a standalone basis. The consolidated and separate financial statements are collectively referred to as "the financial statements".

Functional and presentation currency

The financial statements are presented in Omani Rials ("RO") which is the functional and presentation currency of the Parent Company and the Group.

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), the interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC), the disclosure requirements of the Capital Market Authority (CMA) and the requirements of the Commercial Companies Law of the Sultanate Oman.

New standards, amendments and interpretations to existing IFRS effective 1 January 2021

The Group has adopted all other standards and amendments for the first time for the annual reporting period beginning from 1 January 2022, while has accounted for and disclosed only the relevant and applicable standards and amendments:

Standards/Amendments to Standards	**Effective Date**
COVID-19 Related Rent Concessions beyond 30 June 2021	01 January 2022
Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)	01 January 2022
Annual Improvements to IFRS Standards 2018-2020	01 January 2022
Property, Plant and Equipment: Proceeds before intended Use (Amendments to IAS 16)	01 January 2022
Reference to the Conceptual Framework (Amendment to IFRS 3)	01 January 2022

The adoption of the above amendments has not had any material impact on the disclosures or on the amounts reported in these financial statements.

2 Basis of preparation and adoption of new and amended IFRS (continued)

Standards, amendments and interpretations to existing IFRS that are not yet effective

The forthcoming requirements of new Standard and Amendments to existing Standards are applicable for future reporting periods.

Standards/Amendments to Standards	Effective Date
Classification of Liabilities as Current or Non-Current (Amendment to IAS 1)	01 January 2023
IFRS 17 Insurance Contracts and Amendments to IFRS 17	01 January 2023
Definition of Accounting Estimates (Amendments to IAS 8)	01 January 2023
Disclosure of Accounting Policies (Amendment to IAS 1 and IFRS Practice Statement 2) Transaction Amendment to IAS 12	01 January 2023
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment to IFRS 10 and IAS 28)	Deferred Indefinitely

3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of the financial statements are set out below. These accounting policies have been consistently applied by the Group to all the periods presented, unless otherwise stated.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 March 2022.

Subsidiaries

Subsidiaries are all entities (including special purpose 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 that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquired entity 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 acquiree 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.

3 Summary of significant accounting policies (continued)

Basis of consolidation (continued)

Subsidiaries (continued)

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 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 IFRS 9 either in 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 subsidiary acquired, the difference is recognised in profit or loss. Goodwill is tested for impairment annually.

Inter-company transactions, balances, income and expenses on transactions between the Group companies are eliminated. Profits and losses 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.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as an equity transaction. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

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 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. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

3 Summary of significant accounting policies (continued)

Basis of consolidation (continued)

Entities under common control

For the spin off or acquisition of the entities under common control, the assets and liabilities of the acquired subsidiaries are included in the consolidated financial statements at their book values from the date of change. The subsidiaries are deconsolidated from the date that control ceases.

Associates

Associates 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 associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at 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 associates includes goodwill identified on acquisition. Any excess over the fair value of net asset acquired in an acquisition is recognised as a 'bargain gain' and included in the statement of comprehensive income for the period in which the acquisition is completed.

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

The Group's share of post-acquisition profit or loss is recognised in the 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 equals 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 income statement.

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

Consequent to the amendment in IAS 27, the Parent has adopted the equity method to account for its investment in associates and subsidiaries for the purpose of its separate financial statements.

Revenue recognition

- Interest income is recognised on a time proportion basis using the effective Interest method.

- Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income as part of dividend income when the Group's right to receive dividend is established.

3 Summary of significant accounting policies (continued)

Revenue recognition (continued)

- Dividend income from financial assets at fair value through other comprehensive income (equity instruments) are recognised in the statement of comprehensive income when the Group's right to receive dividend is established.

- Other income is recognised in income when the Group satisfies a performance obligation.

- Revenue for hospitality services for room revenue consists of the services rendered during the year, net of discounts and municipal and tourism taxes which is recognised on a daily basis over time based on occupancy. Further for food, beverages and other revenues are recognised at a point in time as and when goods are supplied or services rendered.

Financial assets

i) *Classification*

The Group classifies its financial assets in the following categories: amortised cost, fair value through profit or loss ('FVTPL') and fair value through other comprehensive income ('FVOCI'). The classification of debt instruments depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. Management determines the classification of its financial assets at initial recognition.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

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

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

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

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

The Group measures all its equity investments at fair value. When the Group's management elects to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss.

In addition, 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.

3 Summary of significant accounting policies (continued)

Financial assets (continued)

ii) *Business model assessment*

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level as this drives the classification of financial assets and liabilities under IFRS 9. Business model reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets 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;
- how managers of the business are 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 in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held to both to collect contractual cash flows and to sell financial assets.

iii) *Assessment whether contractual cash flows are solely payments of principal and interest*

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 profit margin.

iii) *Assessment whether contractual cash flows are solely payments of principal and interest*

In assessing whether the contractual cash flows are solely payments of principal and interest, 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. In making the assessment, the Group considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Group's claim to cash flows from specified assets; and
- features that modify consideration of the time value of money.

3 Summary of significant accounting policies (continued)

Financial assets (continued)

iv) *Recognition and measurement*

Regular purchases and sales of financial assets are recognised on the trade-date - the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the statement of profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income are subsequently measured at fair value.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of comprehensive income in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the statement of profit or loss as part of dividend income when the Group's right to receive dividend is established. Changes in the fair value of monetary and non-monetary securities classified as fair value through other comprehensive income are recognised in other comprehensive income. When equity securities classified as fair value through other comprehensive income are sold, the accumulated fair value adjustments are reclassified within equity. Dividends on equity instruments classified as fair value through other comprehensive income are recognised in the statement of comprehensive income when the Group's right to receive dividend is established.

Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Group is exposed to credit risk if counterparties fail to make payments as they fall due in respect of bank balances. The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Examples of indicators include internal credit rating, external credit rating (if applicable) etc.

Property and equipment

Property and equipment is stated at historical cost less accumulated depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of 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 removing the item and restoring the site on which they are located.

Subsequent costs are included in the assets' 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 item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

3 Summary of significant accounting policies (continued)

Property and equipment (continued)

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Buildings	25 and 40 years
Motor vehicles	3 years
Furniture, fixtures and equipment	3 - 5 years

The assets' residual values and useful lives 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 carrying amount and are recognised in the statement of comprehensive income.

Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

All investments in properties are initially recognised at cost, being the fair value of the consideration given including acquisition charges associated with the investment. Subsequent to initial recognition, these properties are revalued to their fair values on an annual basis and any increase or decrease in the fair values is reflected in the statement of comprehensive income.

Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

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 the 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.

Impairment of non-financial assets

Assets that have an indefinite useful life - for example, goodwill or intangible assets not ready to use - are not subject to amortisation or depreciation and are tested annually for impairment. Assets that are subject to amortisation 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 and levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

3 Summary of significant accounting policies (continued)

Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities up to three months or less. The cash flow statement has been prepared using direct method as per IAS 7 'Statement of Cash Flows'.

Payables and accruals

Liabilities are recognised for amounts to be paid for goods and services received, whether or not billed to the Group. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised as interest expense in the statement of comprehensive income over the period of the borrowings using the effective interest rate method.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Employee benefits

End of service benefits are accrued in accordance with the terms of employment of the Group's employees at the reporting date, having regard to the requirements of the Oman Labour Law as amended and in accordance with IAS 19, 'Employee Benefits'. Employee entitlements to annual leave and leave passage are recognised when they accrue to employees and an accrual is made for the estimated liability arising as a result of services rendered by employees up to the reporting date. The accruals relating to annual leave, leave passage and end of service benefits are included in liabilities. Contributions to a defined contribution retirement plan and occupational hazard insurance for Omani employees in accordance with the Omani Social Insurances Law of 1991 are recognised as an expense in the statement of comprehensive income as incurred.

Current and deferred income tax

The tax expense comprises current and deferred tax. Income tax expense is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. 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.

3 Summary of significant accounting policies (continued)

Current and deferred income tax (continued)

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.

Provisions

A provision is recognised in the statement of financial position when the Group has a present (legal or constructive) obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessment of the time value of money and, where appropriate, the risks specific to the liability.

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, Nomination and Remuneration Committee (Executive Committee) that makes strategic decisions.

Foreign currency translation

Functional and presentation currency

Items included in the consolidated financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in 'Rial Omani', which is the Group's and the Parent Company's functional and presentation currency.

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 statement of comprehensive income.

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 (CMA).

The Annual General Meeting shall determine and approve the remuneration and the sitting fees for the Board of Directors and its sub-committees from the net profits after deduction of taxes, legal and optional reserves and the funds allocated for capitalization and dividends provided that such fees shall not exceed RO 300,000 if the net profit is equal to or exceeding the profit realized in the previous financial year and has no accumulated losses or losses in the capital or shall not exceed RO 150,000 if the realized profit is less than the profit realized in the previous financial year and no losses in the capital. The sitting fees for each director shall not exceed RO 10,000 in one year.

3 Summary of significant accounting policies (continued)

Dividend distribution

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

4 Critical accounting estimates and judgements

Estimates and judgements are evaluated 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.

Fair value of financial instruments

The fair value of financial instruments which are unquoted and those quoted which are not traded in an active market (for example, unlisted securities) is determined by valuation techniques. Management uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the reporting date. For details of the key assumptions used and the impact of changes to these assumptions refer note 31.

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 investee and subsidiaries, the future business model, local economic conditions and other relevant factors. Based on the objective evidences, the Group determines the need for impairment loss on investment in equity accounted investees and subsidiaries.

Impairment of goodwill

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

Allowance for credit losses

Assessment whether credit risk on the financial assets has increased significantly since initial recognition and incorporation of forward-looking information in the measurement of expected credit losses.

5 Dividend income

	Group 2022 RO	Parent Company 2022 RO	Group 2021 RO	Parent Company 2021 RO
From investment in equities through profit and loss	**1,288,721**	**1,223,967**	1,365,961	1,205,969
	1,288,721	**1,223,967**	1,365,961	1,205,969

6 Net revenue of a subsidiary

Net revenue of a subsidiary represents the Group net income from Garden Hotel LLC.

7 Realised and unrealised gain/(loss) on financial assets at fair value through profit or loss

Unrealised gain/(loss) on financial assets at fair value through profit or loss:

	Group 2022 RO	Parent Company 2022 RO	Group 2021 RO	Parent Company 2021 RO
From investment in equities through FVTPL[note 12(a)]	**1,221,233**	**1,174,896**	944,800	912,571
	1,221,233	**1,174,896**	944,800	912,571

8 Administrative and general expenses

	Group 2022 RO	Parent Company 2022 RO	Group 2021 RO	Parent Company 2021 RO
Staff related costs [see 8(a) below]	**402,857**	**313,015**	292,048	213,192
Directors' remuneration and sitting fees [note 28(c)]	**30,000**	**21,000**	19,800	13,800
Occupancy and office related costs	**53,692**	**22,522**	59,285	22,424
Miscellaneous expenses	**25,401**	**25,401**	28,349	28,351
	511,950	**381,938**	399,482	277,767

	Group 2022 RO	Parent Company 2022 RO	Group 2021 RO	Parent Company 2021 RO
a) **Staff related costs**				
Salaries and allowances	**243,695**	**185,240**	227,886	179,008
Other benefits	**135,968**	**111,368**	44,062	20,979
Social security costs	**16,258**	**11,065**	15,867	10,720
End of service benefits [note 23(a)]	**6,936**	**5,342**	4,233	2,485
Recruitment expenses	-	-	-	-
	402,857	**313,015**	292,048	213,192

9 Taxation

The Group is liable to pay income tax at the rate of 15% (2021: 15%) of taxable income in accordance with the income tax law of the Sultanate of Oman.

	Parent Company 2022 RO	Parent Company 2021 RO
Statement of comprehensive income:		
Income tax - current years	-	-
Income tax-prior years	-	-
	-	-
Current liability		
Income tax payable	-	-
At 1 January	-	-
Income tax - prior years	-	-
Paid during the year	-	-
At 31 March	-	-

The Parent Company's income tax assessments for the years up to 2017 have been finalised by the Tax Authority. The reconciliation of taxation on the accounting profit/(loss) for the year at 15% taxation charge in the financial statement is as follows:

	Parent Company 2022 RO	Parent Company 2021 RO
Accounting profit	**3,479,042**	2,606,866
Tax rate	**15%**	15%
Tax on accounting profit	**521,856**	391,030
Add/(less) tax effect of:		
Tax exempt revenue	**(783,841)**	(757,982)
Tax on disallowed expenses	**253,628**	350,038
Others	**8,357**	-
At 31 March	-	-

10 Cash and bank balances

	Group 2022 RO	**Parent Company 2022 RO**	Group 2021 RO	Parent Company 2021 RO
Current accounts	**1,230,781**	**896,601**	894,112	539,290
Call deposits	**258,447**	**-**	194,765	-
Cash in hand	**3,938**	**1,000**	2,608	1,000
	1,493,166	**897,601**	1,091,485	540,290

Call deposit with a local bank (associate) earns interest at the rate of 0.8% per annum (2021: 0.8% per annum).

11 Receivables and prepayments

	Group 2022 RO	Parent Company 2022 RO	Group 2021 RO	Parent Company 2021 RO
Receivable, prepayments and deposits	**2,381,678**	**1,781,278**	1,520,790	1,195,292
Accrued income	-	-	488,812	200,542
Due from an associate -interest & dividend receivable	**2,932,521**	**2,932,521**	3,702,851	3,696,151
Due from a subsidiary [note 28(d)]	-	**4,731,804**	-	1,673,403
	5,314,199	**9,445,603**	5,712,453	6,765,388

Receivables and prepayments are due within one year. Prepaid expenses and others include balance of RO 573,588 (2021: RO 607,753) and accrued income RO -nil- (2021: RO 124,658) are due from related parties [refer to note 28(d)].

12 Investment in equities at fair value through profit or loss

	Group 2022 RO	Parent Company 2022 RO	Group 2021 RO	Parent Company 2021 RO
Quoted securities				
Banking and investment sector	**15,753,083**	**14,420,564**	11,477,999	10,402,513
Services sector	**10,477,612**	**10,473,869**	10,626,291	10,621,440
Industrial sector	**1,125,690**	**1,125,690**	1,318,837	1,318,837
	27,356,385	**26,020,123**	23,423,127	22,342,790
Unquoted securities & subordinated advances				
Local	**17,280,672**	**3,794,726**	15,446,673	4,213,709
Foreign	-	-	-	-
	17,280,672	**3,794,726**	15,446,673	4,213,709
	44,637,057	**29,814,849**	38,869,800	26,556,499

a) Movement in equity investments at fair value through profit or loss is as follows:

	Group 2022 RO	Parent Company 2022 RO	Group 2021 RO	Parent Company 2021 RO
At 1 January	**43,415,824**	**28,639,953**	37,925,000	25,643,928
Unrealised gain/(loss) during the period	**1,221,233**	**1,174,896**	944,800	912,571
	44,637,057	**29,814,849**	38,869,800	26,556,499

b) Quoted securities are investments listed on the Muscat Securities Market.

c) Investment in equities with the fair value of RO 29,814,849 (2021: RO 26,608,557) are pledged as security against credit facilities obtained from commercial banks (note 24).

12 Investment in equities at fair value through profit or loss (continued)

d) Details of investments in securities where the Group holds in excess of 10% of the investee company's share capital as at 31 March are set out below:

2022	Holding %	No. of securities	Fair Value RO	Cost RO
Dhofar University SAOC	**19**	**1,518,031**	**2,932,947**	**1,518,031**
National Packaging Factory LLC	**15**	**81,000**	**81,000**	**40,500**
2021				
Dhofar University SAOC	19	2,530,052	3,379,798	2,530,052
National Packaging Factory LLC	15	81,000	81,000	40,500

13 Investment in subsidiaries

a) The movement of investment in subsidiaries is as follows:

	Investment in subsidiaries 2022 RO	Investment in subsidiaries 2021 RO
At 1 January	**10,303,496**	10,939,859
Share of loss for the period	**(192,009)**	(68,081)
Share of other comprehensive loss for the period	**(160,013)**	(386,698)
At 31 March	**9,951,474**	10,485,080

b) Dhofar Investment and Real Estate Services Company LLC (subsidiary) is an unlisted company registered in the Sultanate of Oman and engaged in investments and real estate related activities. The Parent Company holds 99.9% equity interest and the balance 0.1% is held by Dhofar International Energy Services Company LLC (subsidiary).

c) Garden Hotel LLC (subsidiary) is an unlisted company registered in the Sultanate of Oman and engaged in Hospitality Services. The Parent Company holds 99.9% of the equity interest and the balance 0.1% is held by Dhofar Investment and Real Estate Services Company LLC.

d) Dhofar International Energy Services Company LLC (subsidiary) is an unlisted company registered in the Sultanate of Oman and engaged in production and distribution of energy. The Parent Company holds 99% equity interest and the balance of 1% is held by Dhofar Investment and Real Estate Services Company LLC.

e) The Parent Company receives income in the form of dividends from its investments in subsidiaries, and there are no restrictions on the transfer of funds from these subsidiaries to the Parent Company.

f) The Parent Company is committed to provide financial or other support to its subsidiaries.

g) At the reporting date, the management has tested the investments in subsidiaries for impairment in accordance with IAS 36 "Impairment of Assets" and has concluded that there is no impairment losses at 31 March 2022, since the estimated recoverable amounts of these investments is higher than their carrying values.

h) Shares in subsidiaries are pledged as, securities against credit facilities obtained from commercial banks by the Parent Company (note 24).

14 Investment in associates

a) The movement of investment in associates is as follows:

	Investment in associates 2022 RO	Investment in associates 2021 RO
At 1 January	**160,015,991**	159,544,758
Share of profit /(loss) for the period	**3,018,755**	3,002,753
Share of other comprehensive income /(loss) for the period	**(608,411)**	(780,441)
Dividend received during the period	**(2,820,035)**	(3,558,211)
Share of interest on Tier 1 Capital Securities	**(442,866)**	-
At 31 March	**159,163,434**	158,208,859

b) Investments in associates represent direct holding in the following

31 March 2022 Group		**Holding %**	**Equity accounted value RO**	**Market value of listed companies RO**
Bank Dhofar SAOG	**BKD**	**24.38**	**132,376,966**	**84,015,607**
Oman Investment and Finance Company SAOG	**OIFC**	**37.98**	**9,692,477**	**12,420,000**
Dhofar Insurance Company SAOG (equity shares)	**DICS**	**36.59**	**9,605,352**	**7,089,712**
Dhofar Insurance Company SAOG (bonds)	**DICS - Bonds**	**54.98**	**2,234,505**	**2,199,200**
Omani Vegetable Oils and Derivatives Co. LLC	**OVOD**	**30.77**	**2,775,162**	**-**
Financial Services Company SAOG	**FSC**	**46.15**	**1,474,904**	**1,643,077**
Salalah Medical Supplies Manufacturing Co. LLC	**SMSM**	**25.00**	**1,004,068**	**-**
			159,163,434	**107,367,596**

31 March 2021 Group		Holding %	Equity accounted value RO	Market value of listed companies RO
Bank Dhofar SAOG	BKD	24.38	130,726,204	77,440,473
Oman Investment and Finance Company SAOG	OIFC	37.98	10,449,689	7,110,000
Dhofar Insurance Company SAOG (equity shares)	DICS	36.59	9,302,485	6,074,422
Dhofar Insurance Company SAOG (bonds)	DICS - Bonds	54.98	2,784,306	2,749,001
Omani Vegetable Oils and Derivatives Co. LLC	OVOD	30.77	2,469,157	-
Financial Services Company SAOG	FSC	46.15	1,457,795	1,652,308
Salalah Medical Supplies Manufacturing Co. LLC	SMSM	25.00	1,019,223	-
			158,208,859	95,026,204

14 Investment in associates (continued)

c) Certain shares in associates with a fair value of RO 111,146,825 (2021 – RO 98,584,049) are pledged as, securities against credit facilities obtained from commercial banks by the Parent Company (note 24).

d) Investment in bonds issued by Dhofar Insurance Company SAOG carries interest rate at 6% per annum payable on annual basis.

e) At the reporting date, the management has tested the investments in associates (including the related goodwill) for impairment in accordance with IAS 36 "Impairment of Assets" and has concluded that there is no impairment losses at 31 March 2022, since the estimated recoverable amounts of these investments is higher than their carrying values.

f) Following is the summarised financial information for investment in associates for the period ended 31 March 2022 excluding investment in bonds issued by Dhofar Insurance Co. SAOG;

Summarised statement of financial position	BKD 2022 RO '000	OIFC 2022 RO '000	DICS 2022 RO '000	OVOD 2022 RO '000	FSC 2022 RO '000	SMSM 2022 RO '000	Total 2022 RO '000
Assets							
Cash and bank balances	144,583	3,100	572	2,164	541	1	**150,961**
Investments	499,997	83,475	55,357	-	3,203	665	**642,697**
Other assets	3,732,741	32,438	88,263	18,577	518	11,258	**3,883,796**
	4,377,321	**119,013**	**144,193**	**20,741**	**4,262**	**11,924**	**4,677,454**
Liabilities							
Financial liabilities	3,443,244	90,606	26,435	11,560	1,135	8,769	**3,581,749**
Other liabilities	235,648	479	91,508	782	6	367	**328,791**
	3,678,892	**91,085**	**117,944**	**12,342**	**1,141**	**9,136**	**3,910,540**
Adjustment in net assets	(155,500)	-	-	(1,569)	-	4	**(157,065)**
Net Assets	**542,929**	**27,928**	**26,249**	**6,829**	**3,121**	**2,792**	**609,849**

14 Investment in associates (continued)

Summarised statement of Comprehensive income	**BKD 2022 RO '000**	**OIFC 2022 RO '000**	**DICS 2022 RO '000**	**OVOD 2022 RO '000**	**FSC 2022 RO '000**	**SMSM 2022 RO '000**	**Total 2022 RO '000**
Net revenue	33,517	4,307	2,829	1,732	166	1,920	44,472
Investment and other income	14	2,047	980	9	-	-	3,050
Expenses	(25,179)	(5,000)	(2,218)	(1,074)	(92)	(1,825)	(35,388)
Profit before tax	**8,352**	**1,354**	**1,591**	**667**	**75**	**96**	**12,135**
Income tax	(1,253)	4	(239)	(128)	-	-	(1,616)
Profit after tax	**7,099**	**1,358**	**1,352**	**539**	**75**	**96**	**10,519**
Other comprehensive income	(1,198)	(199)	(659)	8	-	-	(2,049)
Total comprehensive income	**5,901**	**1,159**	**693**	**547**	**75**	**96**	**8,470**
Dividend received	1,461	720	(549)	-	-	118	1,750
Reconciliation of summarised financial information							
Opening net assets	**543,019**	**27,922**	**27,057**	**7,851**	**3,121**	**3,106**	**612,076**
Profit for the period	**7,099**	**1,358**	**1,352**	**539**	**75**	**96**	**10,519**
Other comprehensive (loss) / income for the period	**(1,198)**	**(199)**	**(659)**	**8**	**-**	**-**	**(2,049)**
Dividend	**(5,991)**	**(1,896)**	**(1,500)**	**-**	**-**	**(360)**	**(9,747)**
Proceeds Tier1 + Issuance + Prior years	**-**	**(1,166)**	**-**	**-**	**-**	**(48)**	**(1,215)**
Closing net assets at 31 March	**542,929**	**26,019**	**26,250**	**8,398**	**3,196**	**2,793**	**609,585**
Property revaluation adjustment	-	(496)	-	(1,569)	-	-	(2,065)
Adjusted closing net assets at 31 March	**542,929**	**25,523**	**26,250**	**6,829**	**3,196**	**2,793**	**607,520**

14 Investment in associates (continued)

	BKD 2022 RO '000	OIFC 2022 RO '000	DICS 2022 RO '000	OVOD 2022 RO '000	FSC 2022 RO '000	SMSM 2022 RO '000	Total 2022 RO '000
Interest in associates	**24.38%**	**37.97%**	**36.59%**	**30.77%**	**46.15%**	**25.00%**	
Share in closing net assets	132,377	9,692	9,605	2,101	1,475	698	155,948
Goodwill	-	-	0	674	-	306	980
Carrying value of associates	**132,377**	**9,692**	**9,605**	**2,775**	**1,475**	**1,004**	**156,928**
DICS - bonds							2,235
Carrying value of total investment in associates							**159,163**

15 Term deposits

	Group 2022 RO	**Parent Company 2022 RO**	Group 2021 RO	Parent Company 2021 RO
Term Deposit (refer note ‘a’)	**-**	**-**	5,000,000	5,000,000
Term Deposit (refer note ‘b’)	**1,830,000**	**1,830,000**	3,930,000	3,930,000
Term Deposit (refer note ‘c’)	**-**	**-**	1,750,000	1,750,000
	1,830,000	**1,830,000**	10,680,000	10,680,000

a) The Company placed term deposit with Bank Dhofar SAOG. The term deposit of RO 5 million was placed for a period of 5 years and carries interest at the rate of 5% per annum payable on a half yearly basis. This deposit was part of security package provided for long term loan. The Company redeemed the term deposit prematurely on 2 September 2021.

b) The term deposit of RO 1.83 million is placed with First Abu Dhabi Bank for a period of six months and carries interest at the rate of 3% per annum payable at maturity. This term deposit is under lien against the issuance of standby letters of credit obtained on behalf of a subsidiary.

c) The term deposit of RO 1.75 million was placed with Ahli Bank SAOG for period of 6 months, carried interest @ 3.25% p.a and matured during 2021.

16 Financial assets at fair value through other comprehensive income

	Group 2022 RO	Group 2021 RO
Quoted securities		
Quoted local	**706,723**	2,106,835
Unquoted local	**9,180,435**	7,706,247
	9,887,158	9,813,082

a) Movement in financial assets at fair value through other comprehensive income is as follows:

	Group 2022 RO	2021 RO
At 1 January	**10,047,171**	10,199,780
Fair value change	**(160,013)**	(386,698)
At 31 March	**9,887,158**	9,813,082

b) Quoted securities are listed on the Muscat Stock Exchange.

17 Loan to Subsidiary

The Parent company has provided an un-secured term loan of RO 4.950 million (2021: RO 4.950 million), which carries interest at the rate of 6.55% p.a. (2021: 6.55% p.a.). The major portion of loan is repayable in the year 2025.

18 Property and equipment

Group	Land RO	Building RO	Motor vehicles RO	Furniture fixtures and equipment RO	Total RO
Cost					
At 1 January 2021	2,397,010	4,865,895	181,839	1,915,387	9,360,131
Additions	-	-	-	759	759
Disposals	-	-	-	-	-
At 31 March 2021	2,397,010	4,865,895	181,839	1,916,146	9,360,890
At 1 January 2022	**2,397,010**	**4,865,895**	**186,502**	**1,949,614**	**9,399,021**
Additions	**-**	**-**	**-**	**5,166**	**5,166**
At 31 March 2022	**2,397,010**	**4,865,895**	**186,502**	**1,954,780**	**9,404,187**

18 Property and equipment (continued)

Group	Land RO	Building RO	Motor vehicles RO	Furniture fixtures and equipment RO	Total RO
Depreciation					
At 1 January 2021	-	1,850,831	167,909	1,875,344	3,894,084
Charge for the year	-	34,170	4,312	7,854	46,336
Related to disposals	-	-	-	-	-
At 31 March 2021	-	1,885,001	172,221	1,883,198	3,940,420
At 1 January 2022	**-**	**1,987,509**	**180,442**	**1,902,430**	**4,070,381**
Charge for the year	**-**	**34,170**	**1,030**	**4,983**	**40,183**
At 31 March 2022	**-**	**2,021,679**	**181,472**	**1,907,413**	**4,110,564**
Net book value					
At 31 March 2022	**2,397,010**	**2,844,216**	**5,030**	**47,367**	**5,293,623**
At 31 March 2021	2,397,010	2,980,894	9,618	32,948	5,420,470

Parent	Land RO	Building RO	Motor vehicles RO	Furniture fixtures and equipment RO	Total RO
Cost					
At 1 January 2021	197,010	1,155,196	112,800	178,783	1,643,789
Additions	-	-	-	759	759
Disposals	-	-	-	-	-
At 31 March 2021	197,010	1,155,196	112,800	178,783	1,644,548
At 1 January 2022	**197,010**	**1,155,196**	**117,463**	**184,505**	**1,654,175**
Additions	-	-	-	-	-
At 31 March 2022	**197,010**	**1,155,196**	**117,463**	**184,505**	**1,654,175**
Depreciation					
At 1 January 2021	-	742,411	103,996	157,442	1,003,849
Charge for the period		11,552	3,670	5,019	20,241
Related to disposals	-	-	-	-	-
At 31 March 2021	-	753,963	107,666	162,461	1,024,090
At 1 January 2022	**-**	**788,619**	**113,966**	**171,237**	**1,073,822**
Charge for the period	**-**	**11,552**	**389**	**1,464**	**13,405**
At 31 March 2022	**-**	**800,171**	**114,355**	**172,701**	**1,087,227**
Net book value					
At 31 March 2022	**197,010**	**355,025**	**3,108**	**11,804**	**566,948**
At 31 March 2021	197,010	412,785	8,804	21,341	620,458

19 Share capital

The Parent Company's authorised, issued and fully paid-up share capital is as follows:

	Authorised		Issued and fully paid	
	2022	2021	**2022**	2021
	RO	RO	**RO**	RO
Share capital	**75,000,000**	50,000,000	**54,472,000**	25,872,000

The issued share capital comprises 409.246 million shares (2021: 258.72 million shares of RO 0.100 baiza each). At 31 March 2022, Muscat Overseas Company LLC held 21.97% (2021: 16.52%) and Abdul Hafidh Salim Rajab Al Aujaili held 19.53.% (2021: 12.19%) of the share capital of the Parent Company.

In the Annual General Meeting of the Company held on March 31, 2021, the shareholders approved increasing the authorised capital of the Company from RO 50 million to RO 75 million and the paid-up capital from RO 25.872 million to not more than RO 55 million. The Company completed its rights issue of RO 28.60 million comprising of 150,526,316 shares issued at 190 baizas per share in July 2021. This has resulted an increase in the paid up capital of the Company to RO 54.472 million comprising of 409,246,316 shares.

20 Legal reserve

In accordance with Article 132 of the Commercial Companies Law of Oman, annual appropriations of 10% of the Parent Company's net profit for the year are to be transferred to this reserve until such time the legal reserve equals at least one third of the Parent Company's share capital. The legal reserve is not available for distribution.

21 General reserve

In accordance with Article 133 of the Commercial Companies Law of Oman, a company may establish optional reserve accounts which shall not exceed twenty percent (20%) of the net profits for each financial year, after deduction of taxes and the legal reserve. The ordinary general meeting may resolve to distribute dividends from such reserve.

22 Investment revaluation reserve

The unrealised gain or loss arising from a change in fair value of the financial assets through other comprehensive income of the Group, and subsidiaries of the Parent Company are transferred to this reserve until the investment is sold, matured or otherwise disposed of or until the investment is determined to be impaired at which time the cummulative gain or loss will be transferred to the statement of comprehensive income.

23 Other liabilities

	Group	**Parent Company**	Group	Parent Company
	2022	**2022**	2021	2021
	RO	**RO**	RO	RO
Due to related party [note 28 (d)]	**1,724,251**	**1,700,084**	3,599,067	3,599,067
Payables and accruals [note 23 (a)]	**2,016,293**	**1,863,923**	6,754,708	6,597,019
	3,740,544	**3,564,007**	10,353,775	10,196,086

23 Other liabilities (continued)

a) This includes payable to non-Omani employees against their end of service benefits. Movement in the liability recognised for employees' end of service benefits is as under

	Group 2022 RO	Parent Company 2022 RO	Group 2021 RO	Parent Company 2021 RO
At 1 January	**105,908**	**64,123**	98,475	53,861
Expense recognised during the period	**6,936**	**5,342**	4,234	2,485
Liability paid during the period	**(657)**	**-**	(159)	-
At 31 March	**112,187**	**69,465**	102,550	56,346

24 Loans and borrowings

	Group 2022 RO	Parent Company 2022 RO	Group 2021 RO	Parent Company 2021 RO
Long term loans – gross [refer notes (a), (b) & (c) below]	**102,636,000**	**91,791,000**	102,636,000	91,791,000
Issuance cost – net of amortisation [refer note (e) below]	**(1,550,580)**	**(1,550,580)**	(1,254,732)	(1,254,732)
Closing -net of issuance cost of loans	**101,085,420**	**90,240,420**	101,381,268	90,536,268

a) The Parent Company signed a syndicated term loan agreement with four local banks and the entire drawdown of the loan was made in January 2019. As per the agreement, the Company had obtained two term loans (Loan 1 - RO 25 million and Loan 2 - RO 93 million). The interest is payable on a quarterly basis. Term loan 1 was fully repaid in December 2019 and Term loan 2 will be paid in instalments as per the schedule agreed.

b) The long term loan 2 amounting to RO 91.791 million (2021: RO 91.791 million) carry interest at fixed rate of 6.55% per annum (2020: 6.55% per annum). This interest rate is subject to reset annually. The Company has recently renegotiated the terms of this loan and as per the new terms applicable from January 2022, the rate of interest would be 6% per annum with a six monthly reset and the repayment would be in periodic instalments, the last instalment being on 30th September 2033.

c) The Dhofar International Energy Services Company, LLC, a subsidiary, has obtained term loans of RO 10.8 million (2021: RO 10.8 million) from a commercial bank in Sultanate of Oman. These loans are repayable in lump sum on 31 December 2022. These carry interest of 6.5% per annum (2021: 6.5% per annum) and are secured by corporate guarantee from the Parent Company

d) These loans are secured against the investments of the Parent Company with a market value of RO 151,549,516.

24 Loans and borrowings (continued)

e) The Parent company paid upfront fees for arrangement of syndicated loan. These fees are amortised over the term of loan as deferred finance cost. The movement in deferred finance cost is as follows:

	Group and Parent Company	
	2022	2021
	RO	RO
At 1 January	**1,520,462**	1,328,540
Paid during the period	**62,468**	-
Amortization during the period	**(32,350)**	(73,808)
At 31 March	**1,550,580**	1,254,732

f) The maturity profile of the long term gross loans (excluding interest) from commercial banks is as follows:

	Up-to 1 year	1 - 2 years	Above 2 years	Total
	RO	RO	RO	RO
2022 Group				
Long term loans	**10,845,000**	**4,360,000**	**87,431,000**	**102,636,000**
2022 Parent Company				
Long term loans	**-**	**4,360,000**	**87,431,000**	**91,791,000**
2021 Group				
Long term loans	3,069,000	17,262,000	82,305,000	102,636,000
2021 Parent Company				
Long term loans	3,069,000	6,417,000	82,305,000	91,791,000

25 Subordinated bonds

In December 2019, the Parent Company issued 250,183,960 bonds of RO 0.100 each to shareholders and other private investors and a total amount of RO 25,018,396 was received. The term of the bonds was 7 years and these are unsecured and non-convertible. The bonds carry interest at the rate of 9% per annum payable half yearly and cumulative in nature. The bonds are listed on Muscat Securities Market. The Company settled all the outstanding bonds including accrued interest partly by issue of additional equity shares through Rights Issue and partly by cash in July 2021.
The Parent Company paid an amount of RO 260,767 as issuance cost. The movement in issuance cost is as follows:

	Group and Parent Company	
	2022	2021
	RO	RO
At 1 January		223,515
Amortization during the period	-	(9,313)
At 31 March	-	214,202

26 Net assets per share

	Group 2022 RO	**Parent Company 2022 RO**	Group 2021 RO	Parent Company 2021 RO
Net assets attributable to equity holders	**123,062,694**	**123,062,694**	93,517,239	93,517,239
Number of shares	**409,246,316**	**409,246,316**	258,720,000	258,720,000
Net assets per share	**0.301**	**0.301**	0.361	0.361

27 Basic and diluted earnings per share

The calculation of basic and diluted earnings per share is based on the net profit for the year attributable to shareholders of the Parent Company and the weighted average number of shares outstanding during the year.

	Group 2022 RO	**Parent Company 2022 RO**	Group 2021 RO	Parent Company 2021 RO
Net profit for the year	**3,479,042**	**3,479,042**	2,606,866	2,606,866
Number of shares	**409,246,316**	**409,246,316**	258,720,000	258,720,000
Basic earnings per share	**0.009**	**0.009**	0.010	0.010

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

28 Related parties

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.

The Parent Company and the Group has entered into transactions with its associates and other entities over which certain directors are able to exercise significant influence. The nature of the significant type of related party transactions during the period was as follows:

a) Transactions during the year	**Group 2022 RO**	**Parent Company 2022 RO**	Group 2021 RO	Parent Company 2021 RO
Dividend income from associates	**2,829,679**	**2,820,035**	3,558,211	3,558,211
Dividend income from other related parties	**855,011**	**802,234**	647,735	607,753
Sale of shares through an associate	**-**	**-**	-	-
Interest income from a subsidiary	**-**	**107,783**	-	114,444
Interest income from an associate and other related parties	**32,860**	**32,536**	102,552	102,314
Interest expense to associate and other related parties	**919,821**	**746,658**	978,195	867,369
Rent income from an associate	**18,240**	**18,240**	24,240	24,240
Insurance expenses paid	**1,158**	**1,158**	-	-
Short term advance to subsidiary	**-**	**120,000**	-	165,000
Other expenses	**-**	**-**	732	-

28 Related parties

b) Key management compensation

	Group 2022 RO	Parent Company 2022 RO	Group 2021 RO	Parent Company 2021 RO
Salaries and other short term employment benefits	**179,995**	**152,860**	104,282	92,799
Terminal benefits	**4,506**	**4,506**	2,059	2,059
Social security costs	**3,780**	**1,125**	1,789	1,125
	188,281	**158,491**	108,130	95,983

c) Directors' sitting fees and remuneration

	Group 2022 RO	Parent Company 2022 RO	Group 2021	Parent Company 2021 RO
Directors sitting fees	**30,000**	**21,000**	19,800	13,800
Directors remuneration	**-**	**-**	-	-
	30,000	**21,000**	19,800	126,100

d) Balances

	Group 2022 RO	Parent Company 2022 RO	Group 2021 RO	Parent Company 2021 RO
Loans and borrowings from associate and other related party	**57,386,400**	**46,586,400**	57,386,400	46,586,400
Bank balances and term deposits with related parties	**789,355**	**196,728**	5,629,392	5,079,806
Due to related parties (note 23)	**1,700,084**	**1,700,084**	3,597,242	3,597,242
Due from related parties (note 11)	**139,075**	**139,075**	3,820,808	3,820,808
Loan to a subsidiary (note 17)	**-**	**4,950,000**	-	4,950,000
Due from subsidiaries (note 11)	**-**	**4,731,804**	-	1,673,403

29 Commitments and contingent liabilities

	Group and Parent Company 2022 RO	Group and Parent Company 2021 RO
Guarantees issued by the Parent Company's banker	**1,603,125**	1,603,125
Corporate guarantees issued for subsidiaries and associates by the Company		
Omani Vegetable Oils and Derivatives Company LLC	**4,507,693**	6,375,000
Dhofar International Energy Services Company LLC	**10,800,000**	10,800,000
Salalah Medical Supplies Manufacturing Company LLC	**2,662,000**	2,662,000
Corporate guarantee issued for Salalah Independent Water Project	**-**	2,100,000

30 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders 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, 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 as shown in the statement of financial position less cash and cash equivalents, including term deposits without lien. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt. The gearing ratios at 31 March is as follows:

	Group 2022 RO	Parent Company 2022 RO	Group 2021 RO	Parent Company 2021 RO
Loans and borrowings - gross	**102,636,000**	**91,791,000**	127,654,396	116,809,396
Less: cash and cash equivalent	**(1,493,166)**	**(897,601)**	(1,091,485)	(504,290)
Net debt	**101,142,834**	**90,893,399**	126,562,911	116,305,106
Total equity	**123,062,694**	**123,062,694**	93,517,239	93,517,239
Total capital	**224,205,528**	**213,956,093**	220,080,150	209,822,345
Gearing ratio	**45.11%**	**42.48%**	57.51%	55.43%

31 Fair value measurement

Following table analyses financial instruments carried at fair value, by valuation method. The different levels are defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets;
Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and
Level 3 - Inputs for the assets that are not based on observable market data (that is, unobservable inputs).

31 March 2022 **Group**	**Level 1 RO**	**Level 2 RO**	**Level 3 RO**	**Total RO**
Investment in equities through profit & loss				
Quoted investments	**25,948,703**	**-**	**1,407,681**	**27,356,384**
Unquoted investments	**-**	**-**	**17,280,673**	**17,280,673**
Investment in equities through Other comprehensive income				
Quoted investments	**706,723**	**-**	**-**	**706,723**
Unquoted investments	**8,806,338**	**-**	**374,097**	**9,180,435**
Term deposits	**-**	**1,830,000**	**-**	**1,830,000**
Investment property	**-**	-	**247,212**	**247,212**
Total	**35,461,765**	**1,830,000**	**19,309,663**	**56,601,428**

31 Fair value measurement (continued)

31 March 2021 Group	Level 1 RO	Level 2 RO	Level 3 RO	Total RO
Investment in equities through profit & loss				
Quoted investments	22,014,107	-	1,369,159	23,383,266
Unquoted investments	-	-	15,446,673	15,446,673
Investment in equities through Other comprehensive income				
Quoted investments	2,106,835	-	-	2,106,835
Unquoted investments	-	-	7,706,247	7,706,247
				-
Term deposits	-	10,680,000	-	10,680,000
Investment property	-	-	247,212	247,212
Total	24,120,942	10,680,000	24,769,291	59,570,233

31 March 2022 **Parent Company**	**Level 1** **RO**	**Level 2** **RO**	**Level 3** **RO**	**Total** **RO**
Investment in equities through profit & loss				
Quoted investments	**24,612,442**	-	**1,407,681**	**26,020,123**
Unquoted investments	**-**	-	**3,794,726**	**3,794,726**
Investment in term deposits - unquoted	**-**	**1,830,000**	**-**	**1,830,000**
Investment property	**-**	-	**247,212**	**247,212**
Total	**24,612,442**	**1,830,000**	**5,449,619**	**31,892,061**

31 March 2021 Parent Company	Level 1 RO	Level 2 RO	Level 3 RO	Total RO
Investment in equities through profit & loss				
Quoted investments	20,973,631	-	1,369,159	22,342,790
Unquoted investments	-	-	4,213,709	4,213,709
				-
Investment in term deposits - unquoted	-	10,680,000	-	10,680,000
Investment property	-	-	247,212	247,212
Total	20,973,631	10,680,000	5,830,080	37,483,711

Investment in debts and Group's borrowings, carry commercial rate of interest and accordingly, approximate their fair value. The carrying amounts of financial assets and liabilities with a maturity of less than one year approximate their fair values.

Investment property stated at fair value (level 3), which has been determined based on the valuations performed by an independent external valuer. Fair value approximates to its carrying value as at 31 December 2021 and same basis have been adopted for the period ended 31 March 2022.

31 Fair value measurement (continued)

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments measured at fair value in the statement of financial position, as well as the significant unobservable inputs used.

Measurement of fair values

Valuation techniques and significant unobservable inputs

Type	*Valuation Technique*	Significant unobservable inputs
Subordinate advances at FVTPL	*Option valuation:* Black-Scholes option valuation model that considers the principal amount of subordinated advance, its exercise price, balance period for exercise of option, risk free rate of return and the relative volatility. *Loan valuation:* Discounted cash flows valuation model that considers the present value of expected future cash flows using discount rate.	- Risk free rate of interest - Annualised volatility - Discount rate
Investment in equities at fair value through other comprehensive income	*Discounted cash flow:* The fair value of the investment is determined using the discounted cash flow analysis which is based on the present values and the discount rates used were adjusted for the counterparty's own credit risk.	- Expected future cash flows. - Terminal growth factor - Risk-adjusted discount rate.
Investment in equities at fair value through profit or loss	*Market approach: T*he valuation model is based on market multiples derived from quoted prices of companies comparable to the investee.	- Selection of comparable securities.

32 Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk, foreign currency risk, and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the 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 the management in accordance with documented policies approved by the Board of Directors of the Parent Company.

32 Financial risk management (continued)

Financial risk factors (continued)

a) Market risk

(i) 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(term deposits, loan to subsidiary and subordinated bonds) and liabilities (subordinated debt, bank overdraft, short and long term loans). The Group carries out periodic analysis and monitors the market interest rates fluctuations taking into consideration the Group's needs. If required, the Group may negotiate the pricing, repay and re-borrow or encash and reinvest. The table below analyses the Group's net assets/liabilities subject to variable and fixed interest rates:

Group	Fixed interest rate RO	Variable interest rate RO	Total RO
31 March 2022			
Financial assets			
Bank balances	**1,489,228**	-	**1,489,228**
Investment in associate (bonds)	**2,234,505**	-	**2,234,505**
Term deposits	**1,830,000**	-	**1,830,000**
Total	**5,553,733**	-	**5,553,733**
Financial liabilities			
Loans and borrowings -gross	**(102,636,000)**	-	**(102,636,000)**
Net liabilities	**(97,082,267)**	-	**(97,082,267)**

Parent Company	Fixed interest rate RO	Variable interest rate RO	Total RO
31 March 2022			
Financial assets			
Bank balances	**897,601**	-	**897,601**
Investment in associate (bonds)	**2,234,505**	-	**2,234,505**
Loan to a subsidiary	**4,950,000**	-	**4,950,000**
Term deposits	**1,830,000**	-	**1,830,000**
Total	**9,912,106**	-	**9,912,106**
Financial liabilities			
Loans and borrowings -gross	**(91,791,000)**	-	**(91,791,000)**
Net liabilities	**(81,878,894)**	-	**(81,878,894)**

The Group and Parent Company is exposed to interest rate risk with respect to financial assets and liabilities having variable interest rates if the interest rate were to shift by 50 basis points, there would have been an increase/decrease in the interest expense of RO -nil- for the Group (2021 - RO - nil - for Parent). As of the reporting date, most of the Group's assets and certain borrowings are at fixed interest rate. As these loans are carried at amortised cost, any changes in applicable market interest rates would have no effect on the Group's incomes/expenses.

32 Financial risk management (continued)

Financial risk factors (continued)

a) Market risk (continued)

(i) Interest rate risk (continued)

	Fixed interest rate RO	Variable interest rate RO	Total RO
Group			
31 March 2021			
Financial assets			
Bank balances	1,088,877	-	1,088,877
Investment in associate (bonds)	2,784,306	-	2,784,306
Term deposits	10,680,000	-	10,680,000
Total	14,553,183	-	14,553,183
Financial liabilities			
Loans and borrowings -gross	(102,636,000)	-	(102,636,000)
Subordinated bonds -gross	(25,018,396)	-	(25,018,396)
Net liabilities	(113,101,213)	-	(113,101,213)
Parent Company			
31 March 2021			
Financial assets			
Bank balances	539,290	-	539,290
Investment in associate (bonds)	2,784,306	-	2,784,306
Loan to a subsidiary	4,950,000	-	4,950,000
Term deposits	10,680,000	-	10,680,000
Total	18,953,596	-	18,953,596
Financial liabilities			
Loans and borrowings -gross	(91,791,000)	-	(91,791,000)
Subordinated bonds -gross	(25,018,396)	-	(25,018,396)
Net liabilities	(97,855,800)	-	(97,855,800)

(ii) 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 is exposed to equity price risk with respect to its quoted financial assets. This arises from financial assets held by the Group for which prices in the future are uncertain. The Group's policy is to manage price risk through diversification and selection of securities and other financial instruments within specified limits set by the Board. The Group's policy requires that the overall market position for trading portfolio is monitored on a daily basis by the Group's General Manager and quarterly by the Investment Committee. The Group's strategic financial assets are monitored quarterly by Investment Committee and the Board. After the adoption of equity accounting for associates in 2020, the associates are not exposed to price risk.

The table below summarises the impact of increase/decreases of the equity index on the gains/losses on the quoted equity securities including the investments in associates which are recorded at fair value in the Parent company books, on the assumption that the equity index had increased/decreased by 5% with all other variables held constant:

32 Financial risk management (continued)

Financial risk factors (continued)

a) Market risk (continued)

(ii) Price risk (continued)

	Group 2022 RO	Parent Company 2022 RO	Group 2021 RO	Parent Company 2021 RO
MSM Index				
Financial assets at fair value through profit or loss	**1,367,819**	**1,301,006**	1,171,156	1,117,140
Financial assets at fair value through other comprehensive income	**35,336**	-	105,342	-
	1,403,155	**1,301,006**	1,276,498	1,117,140

(ii) Foreign currency risk

Foreign currency 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 majority of foreign currency transactions are in US Dollars or in currencies linked to the US Dollar. The rate of exchange between the Rial Omani and the US Dollar has remained unchanged since January 1986.

b) Credit risk

The Group takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. The Group is exposed to credit risk on term deposit, receivables and bank balances. Loss allowances are provided for expected credit losses at the reporting date, if any. The Group monitors receivables on a regular basis and ensures bank balances and deposits are placed with reputable financial institutions. Concentrations of credit risk indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographical location. The maximum exposure to credit risk at the reporting date was:

	Group 2022 RO	Parent Company 2022 RO	Group 2021 RO	Parent Company 2021 RO
Bank balances	**1,489,228**	**896,601**	1,088,877	539,290
Loan to a subsidiary	**-**	**4,950,000**	-	4,950,000
Investment in term deposits	**1,830,000**	**1,830,000**	10,680,000	10,680,000
Receivables (excluding prepayments)	**2,932,521**	**7,664,325**	5,696,706	6,749,641
	6,251,749	**15,340,926**	17,465,583	22,918,931

The Group limits its credit risk with regard to investment in term deposits and bank balances by dealing predominantly with rated banks. The table below shows the term deposits and bank balances with the counterparties analysed by rating:

32 Financial risk management (continued)

Financial risk factors (continued)

b) Credit risk (continued)

Bank ratings	**Group 2022 RO**	**Parent Company 2022 RO**	Group 2021 RO	Parent Company 2021 RO
P-1	**2,040,625**	**2,040,625**	3,981,692	3,981,692
P-3	**263,522**	**65,041**	125,720	4,646
NP	**1,015,081**	**620,935**	7,590,281	7,232,952
	3,319,228	**2,726,601**	11,697,693	11,219,290

The rest of the balance in "cash and cash equivalents" is cash in hand.

There is no impairment against receivables and unimpaired receivables are expected on the basis of past experience, to be fully recoverable. It is not the practice of the Group to obtain collateral over receivables and these are, therefore, unsecured. Credit risk is limited to the carrying value of financial assets in the statement of financial position.

c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach in managing liquidity is to ensure, as far as possible, to have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of credit facilities and the ability to close out market positions.

Due to the dynamic nature of the underlying businesses, management aims at maintaining flexibility in funding by keeping credit lines available. Typically the Group ensure that it has sufficient cash on demand and facilities available to meet expected operational expenses including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition the Group has access to credit facilities.

The table below analyses the Parent company's and 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. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Group	**Carrying amount RO**	**Less than 3 months RO**	**3 to 12 months RO**	**Above 1 year RO**	**No fixed maturity RO**
At 31 March 2022					
Long term loans -gross	**102,636,000**	**-**	**10,845,000**	**91,791,000**	**-**
Other liabilities and tax payable	**3,740,544**	**3,568,927**	**59,430**	**-**	**112,187**
	106,376,544	**3,568,927**	**10,904,430**	**91,791,000**	**112,187**
Future interest payable	**47,411,861**	**1,644,267**	**5,255,512**	**40,512,083**	**-**

32 Financial risk management (continued)

Financial risk factors (continued)

c) Liquidity risk (continued)

Group	Carrying amount RO	Less than 3 months RO	3 to 12 months RO	Above 1 year RO	No fixed maturity RO
At 31 March 2021					
Long term loans -gross	102,636,000	-	3,069,000	99,567,000	-
Subordinated bonds -gross	25,018,396			25,018,396	-
Other liabilities and tax payable	10,363,157	10,221,523	39,084	-	102,550
	138,017,553	10,221,523	3,108,084	124,585,396	102,550
Future interest payable	42,372,692	2,514,584	7,397,445	31,402,855	-

Parent Company	**Carrying amount RO**	**Less than 3 months RO**	**3 to 12 months RO**	**Above 1 year RO**	**No fixed maturity RO**
At 31 March 2022					
Long term loans -gross	**91,791,000**	**-**	**-**	**91,791,000**	**-**
Other liabilities	**3,564,007**	**3,435,112**	**59,430**	**-**	**69,465**
	95,355,007	**3,435,112**	**59,430**	**91,791,000**	**69,465**
Future interest payable	**46,709,861**	**1,471,171**	**4,726,608**	**40,512,083**	**-**

Parent Company	Carrying amount RO	Less than 3 months RO	3 to 12 months RO	Above 1 year RO	No fixed maturity RO
At 31 March 2021					
Long term loans -gross	91,791,000	-	3,069,000	88,722,000	-
Subordinated bonds -gross	25,018,396	-	-	25,018,396	-
Other liabilities	10,196,086	10,104,834	37,391	-	53,861
	127,005,482	10,104,834	3,106,391	113,740,396	53,861
Future interest payable	41,141,788	2,313,856	6,870,464	31,931,759	-

The above liabilities are categorised into their respective contractual maturities. In order to manage its liquidity risk, the group may roll over existing facilities, borrow new funds or liquidate its securities to repay.

33 Segment information

During the year 2020, the Board of Directors updated their strategy for certain core investments and classified subsidiaries and associates as long-term strategic investments. Accordingly, reportable segments for the year have been revised at Group Level.

The Investment Committee makes the strategic resource allocations on behalf of the Group. The Group has determined the operating segments based on the reports reviewed by the Investment Committee that makes strategic decision. The Investment Committee considers the business as three sub-portfolios as below.

33 Segment information (continued)

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 'strategic investments' include investments in subsidiaries and associates except Garden Hotel, LLC which is shown in 'Hospitality'. All other equity investments and debt portfolio is in included in 'Non-strategic Investments'

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

Group	**Strategic Investments**	**Non-strategic Investments**	**Hospitality**	**Un-allocated**	**Total**
At 31 March 2022	**RO**	**RO**	**RO**	**RO**	**RO**
Dividend income	-	**1,233,023**	**55,698**	-	**1,288,721**
Net revenue from Subsidiary	-		**83,427**	-	**83,427**
Gain on sale of financial assets at fair value through profit or loss	-	-	-	-	-
Unrealized loss on financial assets at fair value through profit or loss	-	**1,188,362**	**32,871**	-	**1,221,233**
Interest income	-	-	-	**98,682**	**98,682**
Other income	-	-	**99**	**19,246**	**19,345**
Segment total income	-	**2,421,385**	**172,095**	**117,928**	**2,711,408**
Administrative and general expenses	-	-	**(81,467)**	**(430,483)**	**(511,950)**
Depreciation	-	-	**(26,778)**	**(13,405)**	**(40,183)**
Finance cost	-	-	-	**(1,666,638)**	**(1,666,638)**
Amortisation of deferred	-	-	-	**(32,350)**	**(32,350)**
Share of profit from associates	**3,018,755**	-	-	-	**3,018,755**
Share of loss from dilution of shares in associate	-	-	-	-	-
Segment profit for the year	**3,018,755**	**2,421,385**	**63,850**	**(2,024,948)**	**3,479,043**
Segment assets	**159,163,434**	**44,637,057**	**6,178,402**	**17,909,764**	**227,888,658**
Segment liabilities			**5,734,813**	**99,091,151**	**104,825,964**
Capital expenditures			**5,166**	**-**	**5,166**

Net revenue from subsidiary represents gross revenue of RO 91,232 and direct costs of RO 7,805 from Garden Hotel.

33 Segment information (continued)

Group At 31 March 2021	Strategic Investments RO	Non-strategic Investments RO	Hospitality RO	Un-allocated RO	Total RO
Dividend income	-	1,332,679	33,282	-	1,365,961
Net revenue from Subsidiary	-		120,026	-	120,026
Gain on sale of financial assets at FVPL	-	-	-	-	-
Unrealized loss on FVPL	-	904,939	39,861	-	944,800
Interest income	-	-	-	196,942	196,942
Other income	-	-	365	25,951	26,316
Segment total income	-	2,237,618	193,534	222,893	2,654,045
Administrative and general expenses	-	-	(76,678)	(322,804)	(399,482)
Depreciation	-	-	(26,095)	(20,241)	(46,336)
Finance cost	-	-	-	(2,520,993)	(2,520,993)
Amortisation of deferred	-	-	-	(83,121)	(83,121)
Share of profit from associates	3,002,753	-	-	-	3,002,753
Segment profit for the year	3,002,753	2,237,618	90,761	(2,724,266)	2,606,866
Segment assets	158,208,859	38,869,800	5,916,818	16,058,309	219,053,786
Segment liabilities			5,351,749	131,196,870	136,548,619
Capital expenditures			-	759	759

Net revenue from subsidiary represents gross revenue of RO 129,466 and direct costs of RO 9,440 from Garden Hotel.

34 Impact of COVID 19

The coronavirus (Covid-19) pandemic has spread across various geographies globally, causing disruption to business and economic activities which has brought about uncertainties in the global economic environment.

The management has considered the potential impacts of the current economic volatility in determination of the reported amounts of the financial and non-financial assets and these are considered to represent management's best assessment based on observable information. Markets however remain volatile and the recorded amounts remain sensitive to market fluctuations.