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## Legal status and principal activities

Al Batinah Development and Investment Holding Co. SAOG (“the Parent Company”) is a public joint stock company registered with the Ministry of Commerce, Industry and Investment Promotion in accordance with the applicable provisions of the Commercial Companies Law of the Sultanate of Oman. The Parent Company’s principal activity is investing and participating in the management of commercial projects in the Sultanate of Oman.

These consolidated financial statements include the results of operations and assets and liabilities of the Parent Company and its subsidiaries (together "the Group").

The Group's principal place of business is located at Ruwi, Muscat, Sultanate of Oman.

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**Structure of the Group**

The structure of the Group is as follows:

Name of the subsidiary	Country of incorporation	Effective ownership interest			Principal activities
		<u>2021</u>	-	<u>2020</u>	
Al Batinah Real Estate Development and Investment LLC	Sultanate of Oman	99.47%	-	99.47%	Investment in real estate properties.
Al Batinah Shipping, Handling & Customs Clearance LLC	Sultanate of Oman	100%		100.00%	Shipping and handling services at the land border. The Company continues to remain dormant.
Al Dari Special Enterprises LLC	Sultanate of Oman	75.00%		75.00%	Providing dental services and retail of medical goods and orthopedic apparatus.

During the year, Tadawul Financial Services SAOC one of its subsidiary having 99.99% shareholding was sold.

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**Basis of preparation and adoption of new and amended International Financial Reporting Standards (IFRS)****Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Parent Company and its subsidiaries up to the reporting date. Control is achieved where the Parent Company has

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the power over the investee, is exposed or has rights to variable return from its involvement with the investee and has the ability to use its power to affect its returns.

Entities are consolidated from the date on which control is transferred to the Parent Company and ceases to be consolidated from the date on which control is transferred out of the Parent Company. Specifically, income and expenses of a subsidiary acquired or disposed-off during the year are included in the statement of comprehensive income from the date the Parent Company gains control until the date when the Parent Company ceases to control the subsidiary. The Parent Company applies the acquisition method to account for business combinations in accordance with IFRS 3.

Non-controlling interests are presented in the consolidated statement of financial position within shareholders' equity, separate from the equity attributable to the shareholders. Non-controlling interests are separately disclosed in the statement of comprehensive income. Non-controlling interest are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Where necessary, adjustments are made to the financial statements of the subsidiaries to bring the accounting policies used into line with those used by the Parent Company.

All inter-company transactions, balances and gains or losses on transactions between Parent Company and its subsidiaries are eliminated as part of the consolidation process.

### **Statement of compliance**

The consolidated and seprate 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 Interpretations Committee (IFRIC), the disclosure requirements of the Capital Market Authority and the applicable provisions of the Commercial Companies Law of the Sultanate of Oman.

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**Basis of  
preparation**

The consolidated and separate financial statements have been prepared under the historical cost convention and going concern assumption, modified for certain assets and liabilities which are stated at their fair values as required by the IFRS. The preparation of consolidated and separate financial statements is in conformity with IFRS that requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Group's accounting policies.

**Functional and presentation  
currency**

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

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

The Group and Parent Company has adopted all new Standards and amendments for the first time for the annual reporting period beginning from 1 January 2021, while has accounted for and disclosed only the relevant and applicable Standards and amendments:

- i) Amendments to IFRS 16 'Covid 19 Related Rent Concessions'

In March 2021, Standard setters of IFRS issued Covid 19 Related Rent Concessions (Amendment to IFRS 16) that extends the practical expedient to apply to reduction in lease payments originally due on or before 30 June 2021.

This amendment is not relevant to the Company as it did not receive such rent concessions.

- ii) Amendments to IFRS 4, IFRS 7, IFRS 9, IFRS 16 and IAS 39 Interest Rate Benchmark Reform;

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This amendment is not relevant to the financial statements of the Company.

Their adoption has not had any material impact on the disclosures or on the amounts reported in these financials.

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

The forthcoming requirements of new standards and amendments to existing standards are applicable for future reporting periods.

<b>Standards/Amendments to Standards</b>	<b>Effective date</b>
Amendments to IFRS 16 Covid 19 Related Rent Concessions beyond 30 June 2021	01 January 2022
Amendments to IAS 37: Onerous Contracts – Cost of Fulfilling a Contract	01 January 2022
Annual Improvements to IFRS Standards 2018-2020	01 January 2022
Amendments to IAS 16: Property, Plant and Equipment—Proceeds before Intended Use	01 January 2022
Amendments to IFRS 3: Reference to the Conceptual Framework	01 January 2022
Amendments to IAS 1: Classification of Liabilities as Current or Non-current	01 January 2023
IFRS 17 Insurance Contracts and Amendments to IFRS 17	01 January 2023

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Amendments to IAS 8: Definition of Accounting Estimates	01 January 2023
Amendment to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies	01 January 2023
Amendment to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	01 January 2023
Amendment to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred indefinitely

Management believes that adoption of the above new Standards and amendments, which are in issue but not yet effective, is not likely to have any material impact on the presentation and disclosure of items in the financial statements for future periods.

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**Summary of significant accounting policies**      --      -

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

**Property and equipment**      -      --      -

Property and equipment are stated at historical cost less accumulated depreciation and any impairment in value. Cost includes all costs directly attributable to bringing the asset to working condition for their intended use.

Depreciation is calculated in accordance with the straight-line method to write-off the cost of each asset to its estimated residual value over its useful economic life.

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The estimated useful economic lives of the assets are:

	Years
Buildings and leasehold improvements	25
Medical equipment	5-10
Motor vehicles	3
Office equipment	3-5
Furniture and fixtures	3-5

Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written-off. Other subsequent expenditure is capitalised only when it increases the future economic benefits of the related item of property and equipment. All other expenditure is recognised in the statement of comprehensive income as the expense is incurred.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gains or losses arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income in the year the asset is derecognised.

### **Intangible assets**

Intangible asset represents the cost of developing a web-site which has been capitalised and is being amortised over a period of 4 years.

### **Investment properties**

Investment properties are held either for capital appreciation or long-term rental yields or both. Investment properties are initially measured at cost, including transaction costs. Subsequent to

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initial recognition, investment properties are measured using the fair value model.

Under the fair value model, investment properties are remeasured at fair value, which is the amount for which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction. Gain or loss arising from changes in the fair value of investment property are included in the statement of comprehensive income for the period in which it arises.

### **Inventories**

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

### **Cash and cash equivalents**

For the purposes of consolidated and separate statement of cash flows, cash and cash equivalents comprise cash in hand and bank balances.

### **Trade payables**

Trade payables are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

### **Provisions**

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

### **Employees'**



**benefits**

In respect of Omani employees, contributions are made in accordance with the Oman Social Insurance Law and recognised as an expense in the statement of comprehensive income as incurred.

For non-Omani employees, provision is made for amounts payable under the Oman Labour Law, based on the employees' accumulated periods of service at the reporting date. This provision is classified as a non-current liability.

**Bank borrowings**

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

**Revenue from contract with customers****i) Consultancy fees**

Revenue represents the consultancy fees and other related income earned during the year, which is recognised when services are rendered. Revenue from the provision of medical services is recognised based on the invoiced amounts, net of discounts, when the control of the service has passed to the patient, the amount can be measured reliably, the recovery of the consideration is probable and there is no unfulfilled obligation that could affect the patient's acceptance of the services.

**ii) Revenue from brokerage services**

Revenue from brokerage services is accounted on the completion of deals and trades, net of

commissions paid.

**iii) Investment  
income**

Investment income on financial assets at fair value through profit or loss is recognised when the entitlement arises. Dividend income from investments is recognised when the Group's right to receive payment has been established.

**iv) Other income**

Other income earned by the Group is recognised on the accruals basis, or when the Group's right to receive payment is established, unless recovery is considered doubtful.

Rental income is accrued on a time-basis, unless collectability is in doubt.

Interest income is accrued on a time-basis at the effective interest rate.

**Foreign  
currencies**

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

**Leases**

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

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

The right-of-use assets and the lease liabilities are presented as separate line items in the statement of financial position.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the ‘impairment of non-financial assets’ policy.

### **Income tax**

Current tax is recognised in the statement of comprehensive income as the expected tax payable on the taxable income for the year, using tax-rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred taxation is provided using the liability method on all temporary differences at the reporting date. It is calculated adopting a tax-rate that is the rate that is expected to apply to the periods when it is anticipated the liabilities will be settled, and which is based on tax-rates (and

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laws) that have been enacted at the statement of financial position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefits will be realised.

### **Dividend**

The Board of Directors recommends to the shareholders the dividend to be paid out of the Parent Company's retained earnings. The Directors take into account appropriate parameters including the requirements of the Commercial Companies of the Sultanate of Oman and other relevant directives issued by CMA while recommending the dividend. The dividend is recognised in the year in which it is declared by the Board of Directors and approved by the shareholders.

### **Directors' remuneration**

The Group follows the Commercial Companies Law of the Sultanate of Oman, and other relevant directives issued by the Capital Market Authority, with regards to determination of the amount to be paid as Directors' remuneration. Directors' remuneration is charged to the statement of comprehensive income in the year to which they relate.

### **Earnings and net assets per share**

The Group presents earnings per share ("EPS") and net assets per share data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Parent Company by the weighted average number of ordinary shares outstanding during the year.

Net assets per share is calculated by dividing the net assets attributable to ordinary shareholders of the Company by the number of shares outstanding at the reporting date.

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**Segmental reporting**

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions. All operating segment results are reviewed by the Group's General Manager to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

**Financial instruments***Classification*

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortised cost

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows;

- for assets measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income.
- for investments in debt instruments, this depends on the business model in which the

investment is held.

- for investments in equity instruments, this depends on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

All financial liabilities are recognised initially at fair value and, in the case of payables, net of directly attributable transaction costs.

### *Measurement*

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of comprehensive income.

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

- |                            |   |
|----------------------------|---|
| -Financial assets at FVTPL | These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of comprehensive income. |
|----------------------------|---|

The following accounting policies apply to the subsequent measurement of financial assets (continued):

- |                                     |  |
|-------------------------------------|--|
| -Financial assets at amortised cost | These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in statement of comprehensive income. Any gain or loss on derecognition is recognised in statement of comprehensive income. |
|-------------------------------------|--|

-Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in statement of comprehensive income. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to statement of comprehensive income.

-Equity investments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected 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 statement of comprehensive income.

The Company does not trade in any financial liabilities and does not classify or measure any financial liabilities as at fair value through profit or loss. Consequently, all financial liabilities are classified and subsequently measured at amortized cost.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled, or expired.

#### **Impairment of financial assets**

As per IFRS 9 impairment requirements, the Company needs to follow one of the approaches below:

The General approach – Under the general approach, at each reporting date, an entity recognizes a loss allowance on either 12-month or life-time expected credit losses (ECL), depending on whether there has been a significant increase in credit risk on the financial

instrument since initial recognition. The changes in the loss allowance balance are recognized in the statement of comprehensive income as an impairment gain or loss.

The Simplified approach – Under the simplified approach, an entity is not required to track changes in credit risk and requires recognition of lifetime ECL's at all times. IFRS 9 requires to use this approach in its ECL provisioning for trade receivables and contract assets that do not have a significant financing component.

For Receivables, the Company applies the Simplified approach to providing for ECL's as prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all receivables. Impairment assessment is done using a provision matrix and the ECL provision is based on the Company's historical information adjusted for future expectations using macro-economic indicators and point-in-time adjustments for probability of default (PD).

For cash in bank and call deposits, the Company applies the General approach. ECL shall be calculated only when the credit risk of the other party has significantly deteriorated. As such, the Company will monitor and track the credit quality of banks, where these balances are placed, for credit risk management purposes only. In view of this there has been no ECL provision recognized on these financial assets.

#### **Impairment of non-financial assets**

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax asset) to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

The loss arising on an impairment of an asset is determined as the difference between the recoverable amount and carrying amount of the asset and is recognised immediately in the statement of comprehensive income. Recoverable amount is the higher of fair value less cost of disposal and value in use.

Where an impairment loss subsequently reverses (except for goodwill), the carrying amount of the asset is increased to the revised estimate of its recoverable amount and the increase is

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recognised as income immediately, provided that the increased carrying amount does not exceed the carrying amount that would have been net of depreciation or amortisation, had no impairment loss been recognised earlier.

### **Estimates and judgments**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of financial assets and liabilities at the reporting date and the resultant provisions and changes in fair value for the year. Such estimates are necessarily based on assumptions about several factors involving varying, and possibly different degrees of judgement and uncertainty and actual results may differ from management's estimates resulting in future changes in estimated assets and liabilities. Estimates are regularly evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The information about assumptions and estimation uncertainties that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

#### *Impairment of trade receivables*

Loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past experience and historical data, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the accounting policy notes.

#### *Useful lives and residual value of property and equipment*

Depreciation is calculated to write off the cost of assets less residual value over their estimated useful lives. The calculation of useful lives is based on management's assessment of various factors such as the operating cycles, the maintenance programs, and normal wear

and tear using its best estimates.

*Assessment for impairment of property and equipment*

*Assessment for impairment of financial assets*

Allowance for expected credit loss which is based on the present value of expected cash shortfalls over the residual term of the financial assets.

# 11

### Going concern assumption

For the year ended 31 December 2021, the Parent has profit of RO 1,667 (2020: loss of RO 606,310) and as on 31 December 2021, the Company had accumulated loss of RO 1,047,630 (2020: loss of RO 1,049,130) which has eroded part of the Parent Company's share capital at that date. The directors believe that the Company's present performance and cash flow will be improved in the coming years, and further with their continued financial support, the Company will be able to improve its operations. Accordingly, the directors believe it is appropriate for the financial statements to be prepared on a going concern basis.

# 12

### Cash and cash equivalents

	<u>Group</u> <u>2021</u> <u>RO</u>	<u>Parent</u> <u>Company</u> <u>2021</u> <u>RO</u>	<u>Group</u> <u>2020</u> <u>RO</u>	<u>Parent</u> <u>Company</u> <u>2020</u> <u>RO</u>
Cash in hand	632	76	223	66
Current account balance with a bank	9,859	650	29,429	1,236
	-----	-----	-----	-----
	10,491	726	29,652	1,302
Less: bank overdraft	(91,703)	(91,703)	(195,316)	(195,316)

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(81,212)	(90,977)	(165,664)	(194,014)
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The current account balance with a bank is non-interest bearing.

Bank overdrafts are from commercial banks in the Sultanate of Oman and bear interest of 6.5% (2020: 5.75%) per annum. The interest rates are subject to re-negotiation with the banks upon renewal of the facilities, which generally takes place on an annual basis. The bank overdrafts are secured against the equity investments held by the Group.

# 13

**Financial assets at fair value through profit or loss**

	<u>Fair value</u>	<u>Fair value</u>	<u>Cost</u>	<u>Cost</u>
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
<b>Group</b>				
Quoted equity securities	635,239	616,393	590,063	1,264,081
Unquoted securities	3,102	36,123	6,423	78,377
	<u>638,341</u>	<u>652,516</u>	<u>596,486</u>	<u>1,342,458</u>

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

	<u>2021</u>	<u>2020</u>
	<u>RO</u>	<u>RO</u>
At 1 January	652,516	822,856
Reclassification from subsidiary due to loss of control (Refer note.9)	-	29,700
Additions during the year (at cost)	5,697,036	3,746,931

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Sale during the year (at market value)	(5,826,846)	(3,757,024)
Transferred to financial assets at FVOCI	(900)	-
Unrealised fair value gain/(loss) for the year	41,855	(180,702)
Realised gain/(loss) on disposal during the year	74,680	(9,245)
At 31 December	638,341	652,516

**Parent Company**

	<u>Fair value</u>	<u>Fair value</u>	<u>Cost</u>	<u>Cost</u>
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Quoted equity securities	516,412	473,302	457,191	827,430
Unquoted equity securities	3,102	36,123	6,423	78,377
	519,514	509,425	463,614	905,807

The movement in fair value of financial assets at FVTPL is as follows :

	<u>2021</u>	<u>2020</u>
	<u>RO</u>	<u>RO</u>
At 1 January	509,425	509,908
Additions during the year (at cost)	3,406,095	2,237,091
Transfer to FVOCI	(900)	-
Reclassification from subsidiary due to loss of control (Refer note.9(a))	-	29,700
Sales during the year	(3,443,013)	(2,137,132)
Disposed during the year	(29,700)	-

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Unrealised fair value gain/(loss) for the year	55,900	(165,544)
Realised fair value gain on disposal during the year	21,707	35,402
At 31 December	519,514	509,425

Listed securities are stated at their closing market prices at the consolidated and parent statement of financial position date based on prices prevalent on the Muscat Securities Market and other foreign exchanges.

The fair value of the financial assets at FVTPL has been determined under the following hierarchy :

#### Group

Nature of the financial instrument	<u>Carrying value</u> <u>2021</u> <u>RO</u>	<u>Level 1</u> <u>2021</u> <u>RO</u>	<u>Level 2</u> <u>2021</u> <u>RO</u>	<u>Level 3</u> <u>2021</u> <u>RO</u>
Equity securities	638,341	635,239	-	3,102

Nature of the financial instrument	<u>Carrying value</u> <u>2020</u> <u>RO</u>	<u>Level 1</u> <u>2020</u> <u>RO</u>	<u>Level 2</u> <u>2020</u> <u>RO</u>	<u>Level 3</u> <u>2020</u> <u>RO</u>
Equity securities	652,516	616,393	-	36,123

The fair value of the financial assets at FVTPL has been determined under the following hierarchy :

#### Parent Company

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Nature of the financial instrument	<u>Carrying value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
	<u>2021</u>	<u>2021</u>	<u>2021</u>	<u>2021</u>
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Equity securities	519,514	516,412	-	3,102
	-----	-----	-----	-----

Nature of the financial instrument	<u>Carrying value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
	<u>2020</u>	<u>2020</u>	<u>2020</u>	<u>2020</u>
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Equity securities	509,425	473,302	-	36,123
	-----	-----	-----	-----

# 14

**12 Trade and other receivables**

	<u>Group</u>	<u>Parent</u>	<u>Group</u>	<u>Parent</u>
	<u>2021</u>	<u>Company</u>	<u>2020</u>	<u>Company</u>
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Trade receivables	27,978	263	48,688	9,370
Dividends receivable	-	-	3,191	3,191
Prepayments and advances	3,214	3,015	1,374	58
Settlement guarantee fund	-	-	12,500	-
	-----	-----	-----	-----
	31,192	3,278	65,753	12,619
	-----	-----	-----	-----

a) Trade receivables are generally on 30 to 60 days credit terms.

b) The maximum exposure to credit risk at the reporting date is the fair value of each class of

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receivable mentioned above. The Group does not hold any collateral as security.

- c) The carrying amount of the Group's trade receivables is primarily denominated in RO.
- d) At 31 December 2021, the lifetime ECL provision of group for trade receivables and other financial assets is as follows:

	<b><u>Upto 180 days past due</u></b>	<b><u>More than 180 days past due</u></b>	<b><u>Total</u></b>
Gross carrying amount	27,978	-	27,978
Less: allowance for impairment loss	-	-	-
	-----	-----	-----

- e) At 31 December 2020, the lifetime ECL provision of group for trade receivables and other financial assets is as follows:

	<b><u>Upto 180 days past due</u></b>	<b><u>More than 180 days past due</u></b>	<b><u>Total</u></b>
Gross carrying amount	48,688	-	48,688
Less: allowance for impairment loss	-	-	-
	-----	-----	-----

- f) At 31 December 2021, the lifetime ECL provision of Parent Company for trade receivables and other financial assets is as follows:

	<b><u>Upto 180 days past due</u></b>	<b><u>More than 180 days past due</u></b>	<b><u>Total</u></b>
Gross carrying amount	263	-	263
			-

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Less: allowance for impairment loss	-	-	-
	-----	-----	-----

As at 31 December 2021 and 31 December 2020, the management has assessed the impact of ECL on the amount outstanding from the trade receivables. As the impact is not considered to be significant, no ECL provision has been recognised for the current and previous year.

- g) At 31 December 2020, the lifetime ECL provision of Parent Company for trade receivables and other financial assets is as follows:

	Upto 180 days <u>past</u> <u>due</u>	More than 180 <u>days</u> <u>past due</u>	<u>Total</u>
Gross carrying amount	9,370	-	9,370
Less: allowance for impairment loss	-	-	-
	-----	-----	-----

# 15

#### Financial assets at fair value through other comprehensive income

Group	Fair value <u>2021</u> <u>RO</u>	Fair value <u>2020</u> <u>RO</u>	Cost <u>2021</u> <u>RO</u>	Cost <u>2020</u> <u>RO</u>
Quoted equity securities	450,950	278,999	573,677	572,203
Unquoted securities	-	80,684	-	74,402
	-----	-----	-----	-----
Total	450,950	359,683	573,677	646,605
	-----	-----	-----	-----

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The movement in fair value of financial assets at FVOCI is as follows :

	<u>2021</u> <u>RO</u>	<u>2020</u> <u>RO</u>
At 1	359,683	386,682
January		
Addition during the year (at cost)	-	30,595
Transfer from FVTPL	900	-
Sales during the year (at market value)	(83,066)	(9,822)
Unrealised fair value (loss)/gain for the period	173,433	(35,306)
Realised gain/(loss) on sale during the period	-	(12,466)
At 31 December	450,950	359,683

	Fair value <u>2021</u> <u>RO</u>	Fair value <u>2020</u> <u>RO</u>	Cost <u>2021</u> <u>RO</u>	Cost <u>2020</u> <u>RO</u>
<b>Parent Company</b>				
-	-	-	-	-
Quoted equity securities	450,950	278,999	573,677	572,777

The movement in fair value of financial assets at FVOCI is as follows :

	<u>2021</u> <u>RO</u>	<u>2020</u> <u>RO</u>
1 January	278,999	309,080
Addition during the year (at cost)	-	30,595
Transfer from	900	-

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## FVTPL

Unrealised fair value gain/(loss) for the period	171,051	(38,388)
Sales during the year (at market value)	-	(9,822)
Realised gain on sales during the period	-	(12,466)
	-----	-----
<b>31 December</b>	<b>450,950</b>	<b>278,999</b>
	-----	-----

Listed securities are intended to be held for a period of more than 12 months and therefore are classified as financial assets at fair value through other comprehensive income as part of non-current assets. The fair value of these securities has been arrived at based on the closing market prices prevalent on the Muscat Securities Market and other foreign stock exchanges where they are listed as at 31 December 2021.

The fair value of the financial assets at fair value through other comprehensive income has been determined under the following hierarchy:

Group

<u>Nature of the financial instrument</u>	<u>Carrying value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
	<u>2021</u>	<u>2021</u>	<u>2021</u>	<u>2021</u>
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Equity securities	450,950	450,950	-	-
	-----	-----	-----	-----

<u>Nature of the financial instrument</u>	<u>Carrying value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
	<u>2020</u>	<u>2020</u>	<u>2020</u>	<u>2020</u>
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Equity securities	359,683	278,999	-	80,684
	-----	-----	-----	-----

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**Parent Company****Nature of the financial instrument**

	<u>Carrying value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
	<u>2021</u>	<u>2021</u>	<u>2021</u>	<u>2021</u>
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Equity securities	450,950	450,950 -	-	-
	-----	-----	-----	-----

**Nature of the financial instrument**

	<u>Carrying value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
	<u>2020</u>	<u>2020</u>	<u>2020</u>	<u>2020</u>
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Equity securities	278,999	278,999 -	-	-
	-----	-----	-----	-----

# 16

**Investment properties**

	<u>Group</u>	<u>Parent Company</u>	<u>Group</u>	<u>Parent Company</u>
	<u>2021</u>	<u>2021</u>	<u>2020</u>	<u>2020</u>
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
At 1 January	1,430,000	-	1,112,000	-
Addition during the year	45,931	-	-	-
Change in fair value	11,069	-	318,000	-
	-----	-----	-----	-----
At 31 December	1,487,000	-	1,430,000	-

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The movement in fair value of investment properties is as follows:

	<b>At 1 January</b>	<b>Addition</b>	<b>Fair value change</b>	<b>As at 31 December</b>
	<b><u>2021</u></b>	<b><u>during year</u></b>	<b><u>during year</u></b>	<b><u>2021</u></b>
a) Freehold land and building at Helat Al Murtafaa, Seeb	240,000 -		(3,000)	237,000
b) Freehold land and building at Madinat Al Qaboos, Bausher	350,000 -		-	350,000
c) Vacant plots at Al Aqer, Shinas	840,000	45,931	14,069	900,000
	1,430,000	45,931	11,069	1,487,000

The freehold land and building are stated at their fair values as at 31 December 2021 and 2020 as determined by an independent real estate valuer. For the valuation of property note (b) above, only the value of the vacant freehold land has been considered, as the value of the old building constructed on the freehold land has been considered to be Nil.

The investment properties comprise plots of freehold land and buildings constructed on freehold land which is registered in the name of the subsidiaries and one of the directors, are held on behalf, and for the beneficial interest, of the Group.

The fair value measurement for the investment properties are measured on a recurring basis and fall within level 3 of the fair value hierarchy based on the price on which the properties could be exchanged on the date of valuation between a willing buyer and seller.

# 17

## Property and equipment

	<b>Office <u>equipment</u></b>			
<b><u>Group</u></b>	<b>Buildings and</b>	<b>Medical <u>equipment</u></b>	<b>Motor <u>vehicles</u></b>	<b>Furniture and <u>Total</u></b>

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	<u>improvements</u>				<u>fixtures</u>	
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
<b>Cost</b>						
At 1 January 2020	17,958	60,566	6,750	92,450	63,644	241,368
Additions	-	-	-	105	750	855
Disposal	-	-	-	(56,759)	(46,199)	(102,958)
	-----	-----	-----	-----	-----	-----
			-			
At 31 December 2020	17,958	60,566	6,750	35,796	18,195	139,265
	=====	=====	=====	=====	=====	=====
<b>At 1 January 2021</b>	<b>17,958</b>	<b>60,566</b>	<b>6,750</b>	<b>35,796</b>	<b>18,195</b>	<b>139,265</b>
Additions	-	-	-	-	261	261
Disposal	-	-	-	-	(105)	(105)
	-----	-----	-----	-----	-----	-----
			-			
<b>At 31 December 2021</b>	<b>17,958</b>	<b>60,566</b>	<b>6,750</b>	<b>35,796</b>	<b>18,351</b>	<b>139,421</b>
	=====	=====	=====	=====	=====	=====
<b>Depreciation</b>						
At 1 January 2020	2,704	17,730	6,747	73,592	56,120	156,893
Charge for the year	718	6,056	-	2,682	2,022	11,478
Relating to disposal	-	-	-	(40,487)	(45,489)	(85,976)
	-----	-----	-----	-----	-----	-----
			-			
At 31 December 2020	3,422	23,786	6,747	35,787	12,653	82,395
	=====	=====	=====	=====	=====	=====
<b>At 1 January 2021</b>	<b>3,422</b>	<b>23,786</b>	<b>6,747</b>	<b>35,787</b>	<b>12,653</b>	<b>82,395</b>
Charge for the year	718	6,057	-	-	1,911	8,686
Relating to disposal	-	-	-	-	(5)	(5)
	-----	-----	-----	-----	-----	-----

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-

At 31 December 2021	<u>4,140</u>	<u>29,843</u>	<u>6,747</u>	<u>35,787</u>	<u>14,559</u>	<u>91,076</u>
---------------------	--------------	---------------	--------------	---------------	---------------	---------------

**Net book value**

At 31 December 2021	<u>13,818</u>	<u>30,723</u>	<u>3</u>	<u>9</u>	<u>3,792</u>	<u>48,345</u>
At 31 December 2020	<u>14,536</u>	<u>36,780</u>	<u>3</u>	<u>9</u>	<u>5,542</u>	<u>56,870</u>

**Parent Company**

	<b><u>Leasehold improvement</u></b>	<b><u>Motor vehicles</u></b>	<b><u>Office equipment</u></b>	<b><u>Furniture and fixtures</u></b>	<b><u>Total</u></b>
	<b><u>RO</u></b>	<b><u>RO</u></b>	<b><u>RO</u></b>	<b><u>RO</u></b>	<b><u>RO</u></b>
<b>Cost</b>					
At 1 January 2020	3,423	6,750	35,795	5,547	51,515
Additions	-	-	-	410	410
	-----	-----	-----	-----	-----
At 31 December 2020	3,423	6,750	35,795	5,957	51,925
	-----	-----	-----	-----	-----
<b>At 1 January 2021</b>	<b>3,423</b>	<b>6,750</b>	<b>35,795</b>	<b>5,957</b>	<b>51,925</b>
Disposals	-	-	-	(105)	(105)
	-----	-----	-----	-----	-----
<b>At 31 December 2021</b>	<b>3,423</b>	<b>6,750</b>	<b>35,795</b>	<b>5,852</b>	<b>51,820</b>
	-----	-----	-----	-----	-----

**Depreciation**

At 1 January 2020	1,164	6,747	35,785	5,537	49,233
Charge for the year	137	-	-	23	160

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At 31 December 2020	----- 1,301 -----	----- 6,747 -----	----- 35,785 -----	----- 5,560 -----	----- 49,393 -----
<b>At 1 January 2021</b>	<b>1,301</b>	<b>6,747</b>	<b>35,785</b>	<b>5,560</b>	<b>49,393</b>
Charge for the year	137	-	-	61	198
Relating to disposals	-	-	-	(5)	(5)
<b>At 31 December 2021</b>	<b>1,438</b>	<b>6,747</b>	<b>35,785</b>	<b>5,616</b>	<b>49,586</b>
<b>Net book value</b>					
<b>At 31 December 2021</b>	<b>1,985</b>	<b>3</b>	<b>10</b>	<b>236</b>	<b>2,234</b>
At 31 December 2020	=====	=====	=====	=====	=====
	2,122	3	10	397	2,532
	=====	=====	=====	=====	=====

# 18

**Intangible assets**  
**Group**

<b>Cost</b>	<b>Web-site development</b>			
	<b><u>Software</u></b>	<b><u>License fees</u></b>	<b><u>costs</u></b>	<b><u>Total</u></b>
	<b><u>RO</u></b>	<b><u>RO</u></b>	<b><u>RO</u></b>	<b><u>RO</u></b>
At 1 January 2020	1,130	205,000	1,350	207,480
Written off	-	(205,000)	-	(205,000)
At 31 December 2020	----- 1,130 -----	----- - -----	----- 1,350 -----	----- 2,480 -----

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<b>At 1 January and 31 December 2021</b>		<b>1,130</b>	<b>-</b>	<b>1,350</b>	<b>2,480</b>
		-----	-----	-----	-----
<b>Accumulated amortisation</b>					
At 1 January 2020	283	8,200	550	9,033	
Charge for the year	282	-	337	619	
Written off	-	(8,200)	-	(8,200)	
		-----	-----	-----	-----
At 31 December 2020	565	-	887	1,452	
		-----	-----	-----	-----
<b>At 1 January 2021</b>	<b>565</b>	<b>-</b>	<b>887</b>	<b>1,452</b>	
Charge for the year	<b>283</b>	<b>-</b>	<b>338</b>	<b>621</b>	
		-----	-----	-----	-----
<b>At 31 December 2021</b>	<b>848</b>	<b>-</b>	<b>1,225</b>	<b>2,073</b>	
		-----	-----	-----	-----
<b>Net book value</b>					
<b>At 31 December 2021</b>	<b>282</b>	<b>-</b>	<b>125</b>	<b>407</b>	
		-----	-----	-----	-----
At 31 December 2020	565	-	463	1,028	
		-----	-----	-----	-----

Cost of software and website development is amortised over a period of 4 years.

### Parent Company

### Software

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	<u>2021</u>	<u>2020</u>
<b>Cost</b>	<u>RO</u>	<u>RO</u>
At 1 January and at 31 December	1,130	1,130
	-----	-----
<b>Accumulated amortisation</b>		
At 1 January	565	283
Charge for the year	283	282
	-----	-----
At 31 December	848	565
	-----	-----
<b>Net book value</b>		
<b>At 31 December</b>	<b>282</b>	<b>565</b>
	-----	-----

Software is amortised over a period of 4 years.

# 19

## Investment in subsidiaries

### Parent Company

Investment in subsidiaries comprise the following :

<u>Name of the subsidiary</u>	<u>Shareholding</u>	<u>Country of</u>	<u>2021</u>	<u>2020</u>
	<u>percentage</u>	<u>incorporation</u>	<u>RO</u>	<u>RO</u>
Al Batinah Real Estate Development and Investment LLC	- 99.47%	- Sultanate of Oman	746,000	- 746,000 -

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			-----	-----
Al Dari Special Enterprises LLC	75%	Sultanate of Oman	<b>89,792</b>	89,792
Less: allowance for impairment			<b>(67,000)</b>	(67,000)
			-----	-----
			<b>22,792</b>	22,792
			-----	-----
Al Batinah Shipping, Handling and Customs Clearance LLC	90%	Sultanate of Oman	<b>405,000</b>	405,000
			-----	-----
Tadawul Financial Services SAOC	99.92%	Sultanate of Oman	-	889,299
Less: allowance for impairment			-	(456,527)
			-----	-----
			-	432,772
			-----	-----
Houbara Tech & Projects LLC, one of the subsidiary liquidated during the year.				
During the year Parent Company sold its subsidiary Tadawul Financial Services SAOC.				
<b>Total investment in subsidiaries</b>				
Cost			<b>1,240,792</b>	2,159,791
Less: allowance for impairment			<b>(67,000)</b>	(523,527)
Less: reclassification to FVTPL due to loss of control (note : 10)			-	(29,700)

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	-----	-----
	-	
Net investment in subsidiaries	1,173,792	1,606,564
	-----	-----
	-	

Summarised audited financial information of the subsidiaries is as follows:

	<b>Al Batinah Real Estate Development and Investment LLC</b>	<b>Al Batinah Shipping, Handling &amp; Customs Clearance LLC</b>	<b>Al Dari Special Enterprises LLC</b>	
	<b><u>RO</u></b>	<b><u>RO</u></b>	<b><u>RO</u></b>	
Total assets	820,071	- 972,499	- 93,209	-
Total liabilities	15,645	87,564	98,108	
Net assets	804,426	884,935	(4,899)	
Total income	61,591	20,605	63,303	
Net profit/(loss) after tax for the year	34,509	11,606	(4,473)	

The investment in subsidiaries are stated at cost less impairment.

The financial information provided above is extracted from audited financial statements of the subsidiaries prepared as at, and for the year ended, 31 December 2021.

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The Parent Company carried an impairment testing of its investment in subsidiaries and based on the impairment testing performed, Management believes that no additional impairment is required.

# 20

### Share capital

The Parent Company's authorised share capital comprises of 200,000,000 shares (2020 : 200,000,000 shares) of RO 0.100 each (2020 : RO 0.100 each). The issued and fully paid-up share capital of the Parent Company consists of 30,000,000 shares (2020 : 30,000,000 shares) of RO 0.100 each (2020 : RO 0.100 each).

The Parent Company has only one class of ordinary shares, which rank equally with regard to the Parent Company's residual assets. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the Parent Company's meetings.

Details of shareholders who own 10% or more of the Parent Company's shares at the consolidated statement of financial position date, whether in their names or through a nominee account are as follows:

Name of the shareholder	Shareholding percentage	<u>2021</u> RO	Shareholding percentage	<u>2020</u> RO
Jamal Said Rajab Al Ojaly	29.90%	897,061	33.28%	998,412
Yaseen Abdulaziz Ahmed Al Onaizy	17.00%	510,000	17.00%	510,000

# 21

### Legal reserve

In accordance with the provisions of the Commercial Companies Law of the Sultanate of Oman, an amount equivalent to 10% of the individual subsidiaries and the Parent Company's net profit before appropriations is required to be transferred to a non-distributable reserve until such time as a minimum of one-third of the issued and fully paid-up share capital is set aside. During the year

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ended 31 December 2021, the Group and Parent has transferred an amount of RO 4,906 (2020 : RO 40,632) and RO 167 (2020 : Nil) respectively to the legal reserve.

### Special reserve

In accordance with the Articles of Association of the Parent Company and the provisions of the Commercial Companies Law of the Sultanate of Oman, the excess amount collected from share issue fees after adjusting share issue expenses has to be transferred to a special reserve. This reserve is not available for distribution.

# 22

### Trade and other payables

	<u>Group</u>	<u>Parent</u>	<u>Group</u>	<u>Parent</u>
	<u>2021</u>	<u>Company</u>	<u>2020</u>	<u>Company</u>
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Trade payables	4,847	-	19,869	-
Accrued expenses and other payables	27,473	19,220	25,582	16,172
	-----	-----	-----	-----
	32,320	19,220	45,451	16,172
	-----	-----	-----	-----

Trade payables are generally settled within 60 to 90 days of the suppliers' invoice date.

# 23

### Employees' terminal benefits

The Group contributes to the Government of Oman's Social Insurance Scheme in respect of Omani employees, which is a defined contribution retirement plan. Accrual for end-of-service benefits of non-Omani employees is made in accordance with the requirements of the Oman Labour Law. This is an unfunded defined employees end-of-service benefits plan and the movement in the liability recognised in the consolidated and separate statement of financial position is as follows:

	<u>Group</u>	<u>Parent</u>	<u>Group</u>	<u>Parent</u>
	<u>2021</u>	<u>Company</u>	<u>2020</u>	<u>Company</u>
	<u>RO</u>	<u>2021</u>	<u>RO</u>	<u>2020</u>
		<u>RO</u>		<u>RO</u>
Movement in expatriate employees' end of service benefits:		-	-	-
At 1 January	23,620	21,904	21,921	19,372
Recognized during the year	2,598	2,598	3,661	2,532
Payments during the year	(300)	-	(1,962)	-
At 31 December	25,918	24,502	23,620	21,904

# 24

**Revenue from contracts with customers**

	<u>Group</u>	<u>Parent</u>	<u>Group</u>	<u>Parent</u>
	<u>2021</u>	<u>Company</u>	<u>2020</u>	<u>Company</u>
	<u>RO</u>	<u>2021</u>	<u>RO</u>	<u>2020</u>
		<u>RO</u>		<u>RO</u>
Revenue from clinic services	63,177	-	53,470	-
Revenue from brokerage services	-	-	12,694	-
	63,177	-	66,164	-

# 25

**Investment income****Gains and dividend income**

	<u>Group</u>	<u>Parent</u>	<u>Group</u>	<u>Parent</u>
		<u>Company</u>		<u>Company</u>

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	<u>2021</u>	<u>2021</u>	<u>2020</u>	<u>2020</u>
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Realised gains/(loss) on sale of financial assets at FVTPL (Note : 10)	74,680	21,707	(9,245)	35,402
Dividend and bond interest income	37,315	34,410	48,532	42,212
	-----	-----	-----	-----
	111,995	56,117	39,287	77,614
	-----	-----	-----	-----
<b>Unrealised gain/(loss)</b>				
	<u>Group</u>	<u>Parent</u>	<u>Group</u>	<u>Parent</u>
	<u>2021</u>	<u>2021</u>	<u>2020</u>	<u>2020</u>
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Unrealised fair value gain/(loss) on financial assets at FVTPL (Note : 10)	41,855	55,900	(180,702)	(165,544)
	-----	-----	-----	-----
<b>Other income</b>				
	<u>Group</u>	<u>Parent</u>	<u>Group</u>	<u>Parent</u>
	<u>2021</u>	<u>2021</u>	<u>2020</u>	<u>2020</u>
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Rental Income	29,232	-	26,323	-
Gain on disposal of subsidiary	3,010	3,010	52,276	52,276
Other income	126	18,822	7,357	6,822
	-----	-----	-----	-----

# 26

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32,368	21,832	85,956	59,098
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# 27

**Salaries and other staff related costs**

	<u>Group</u> <u>2021</u> <u>RO</u>	<u>Parent</u> <u>Company</u> <u>2021</u> <u>RO</u>	<u>Group</u> <u>2020</u> <u>RO</u>	<u>Parent</u> <u>Company</u> <u>2020</u> <u>RO</u>
Salaries	72,590	39,575	123,606	49,737
Other related staff costs	11,484	11,059	32,048	13,914
	-----	-----	-----	-----
	84,074	50,634	155,654	63,651
	-----	-----	-----	-----

# 28

**Administrative expenses**

	<u>Group</u> <u>2021</u> <u>RO</u>	<u>Parent</u> <u>Company</u> <u>2021</u> <u>RO</u>	<u>Group</u> <u>2020</u> <u>RO</u>	<u>Parent</u> <u>Company</u> <u>2020</u> <u>RO</u>
Directors' meeting attendance fees (Note : 13)	36,950	28,500	27,500	27,500
Management fee (Note : 12)	-	-	15,100	-
Legal and professional fees	13,699	10,690	11,560	6,550
Rent	12,500	4,800	15,800	4,800
Repairs and maintenance	7,800	1,075	16,818	1,488
Laboratory expenses	5,852	-	5,087	-
Registration and renewals	5,178	4,155	11,400	4,000
Manpower charges and utilities	4,252	3,470	4,313	2,728
Medical supplies	3,788	-	6,412	-
Advertisement	2,263	1,410	781	360

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expenses				
Telephone and postage	1,303	715	5,657	751
Insurance	1,004	854	4,747	835
Printing and stationery	160	160	507	274
Miscellaneous	17,832	16,083	7,196	3,631
expenses				
	-----	-----	-----	-----
	112,581	71,912	132,878	52,917
	-----	-----	-----	-----

# 29

**Finance costs**

	<b>Group</b>	<b>Parent Company</b>	<b>Group</b>	<b>Parent Company</b>
	<b><u>2021</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2020</u></b>
	<b><u>RO</u></b>	<b><u>RO</u></b>	<b><u>RO</u></b>	<b><u>RO</u></b>
Bank	1,884	1,489	668	55
charges				
Interest on bank overdraft	7,671	7,671	12,937	11,886
	-----	-----	-----	-----
	9,555	9,160	13,605	11,941
	-----	-----	-----	-----

# 30

**Income  
tax**

The Group is liable to income tax at the rate of 15% (2020 : 15%), on the taxable income. The charge for the year is analysed as follows:

The tax charge for the year consists of:

	<b>Group</b>	<b>Parent Company</b>	<b>Group</b>	<b>Parent Company</b>
	<b><u>2021</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2020</u></b>

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	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Current year	1,384	-	1,893	-
Deferred tax liability	2,110	-	84,750	-
Deferred tax assets	(450)	-	(23,784)	-
Prior year tax	1,208	-	799	-
	<u>4,252</u>	<u>-</u>	<u>63,658</u>	<u>-</u>

The Parent company's tax assessments from the year 2017 and its subsidiaries, Al Batinah Real Estate Development and Investment LLC from the year 2017, Al Dari Special Enterprises from the year 2018 have not been finalized by the income tax authorities and for Al Batinah Shipping, Handling & Customs tax assessment completed till 2018. Directors are of the opinion that the additional taxes, if any, that may become payable on finalization of the pending tax assessments would not be significant to the Group's financial position at 31 December 2021.

Deferred tax asset/(liability) for the Group is attributable to the following:

	Recognized in 1 January comprehensive income 31 December <u>2021</u> <u>income</u> <u>2021</u> <u>RO</u> <u>RO</u> <u>RO</u>		
<b>Deferred tax liability</b>	-	-	-
Investment property fair value gain	(84,750)	(2,110)	(86,860)
<b>Deferred tax assets</b>			
Investment property fair value loss	23,784	450	24,234

**Financial risk management**

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

**Market risk*****Foreign exchange risk***

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

The majority of the Group's financial assets and financial liabilities are either denominated in RO or currencies fixed against the RO. Hence the management believes that there would not be a material impact on the profitability if these foreign currencies weaken or strengthen against the RO with all other variables held constant.

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

***Interest rate risk***

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

The Group's interest rate risk arises from bank overdraft, long-term loan and debt instrument at amortised cost. The interest rate on those facilities are at commercial rates negotiated with the financial institutions.

The Group is exposed to interest-rate risk as the Group invests and borrows funds at commercial interest rates. Sensitivity analysis of interest rates is as follows: if the interest rates were to be 50

basis points higher or lower with all other variables held constant, the Group's net profit would increase or decrease by RO 459 (2020 : RO 9,77).

### ***Price risk***

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Group is exposed to price risk related to quoted investments held by it and traded in organised financial markets. To manage its price risk arising from investment in equities, the management continuously monitors the market and the key factors that affect the stock market movements.

### ***Credit risk***

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Group is potentially exposed to credit risk principally on its trade and other receivables, due from related parties/members, and cash and bank balances. The credit risk on trade receivables and related parties is subjected to credit evaluations and a provision is made for estimated irrecoverable amounts. The amounts presented in the consolidated statement of financial position are net of provision for impaired trade receivables. The bank balances are held with a national bank with a good credit rating.

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

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The Group's management monitors liquidity requirements on a regular basis to help ensure that sufficient funds are available, including unutilised credit facilities with banks, to meet any future commitments. The Group manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecasted and actual cash flows.

At the end of the reporting period, the contractual maturity of financial liabilities are less than six months.

### **Liquidity risk**

Management monitors liquidity requirements on a regular basis to ensure that sufficient funds are available to meet any future commitments.

Based on the contractual maturity date, the financial liabilities are payable within six months from the end of the reporting period.

# 32

### **Capital risk management**

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

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

### **Financial assets and liabilities and risk management**

#### **Financial assets and liabilities**

Financial assets and liabilities carried on the consolidated and separate statement of financial position include financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss, cash and bank balances, trade receivables and trade and other payables, due from and to related parties/members. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

### **Risk management**

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

### **Capital management**

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

The Group manages its capital structure and make adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies and processes during the years ended 31 December 2021 and 2020.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, trade and other payables, long-term loan and due to related parties less cash and bank balances. Capital includes share capital, reserves, retained earnings and investment fair value reserve.

	Parent		Parent
<u>Group</u>	<u>Company</u>	<u>Group</u>	<u>Company</u>
<u>2021</u>	<u>2021</u>	<u>2020</u>	<u>2020</u>
<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
-	-	-	-

Trade and other payables	32,320	19,220	45,451	16,172
Bank overdraft	91,703	91,703	195,316	195,316
Income tax payable	1,384	-	1,893	-
Amounts due to related parties	-	43,685	29,700	377,819
Less : cash and bank balances	(10,491)	(726)	(29,652)	(1,302)
Net debt	114,916	153,882	242,708	588,005
Share capital	3,000,000	3,000,000	3,000,000	3,000,000
Legal reserve	337,464	200,645	332,558	200,478
Special reserve	24,541	24,541	24,541	24,541
Accumulated losses	(766,315)	(1,047,630)	(812,284)	(1,049,130)
Investment fair value reserve	(122,727)	(122,727)	(286,922)	(293,778)
Total capital	2,472,963	2,054,829	2,257,893	1,882,111
Total capital and net debt	2,587,879	2,208,711	2,500,601	2,470,116
Gearing ratio	4.44%	6.97%	9.71%	23.80%

# 33

**Fair values of financial instruments**

Financial instruments consist of financial assets and liabilities. Financial assets and liabilities carried on the consolidated statement of financial position include financial assets at fair value

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through other comprehensive income, financial assets at fair value through profit or loss, cash and bank balances, trade receivables and other financial assets at amortised cost, trade and other payables and due from and to related parties/members. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

The fair values of the Group's financial assets and liabilities are not materially different from their carrying amounts.

# 34

### Basic earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to Parent Company for the year by the weighted average number of shares outstanding during the year as follows :

	<u>Group</u>	<u>Parent</u>	<u>Group</u>	<u>Parent</u>
	<u>2021</u>	<u>2021</u>	<u>2020</u>	<u>2020</u>
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Net profit/(loss) attributable to the Parent Company for the year	<b>41,637</b>	<b>1,667</b>	(254,863)	(606,310)
Weighted average number of ordinary shares	<b>30,000,000</b>	<b>30,000,000</b>	30,000,000	30,000,000
Basic earning/(loss) per share	<b>0.001</b>	<b>0.0001</b>	(0.008)	(0.020)
	-----	-----	-----	-----

As the Group has not issued any dilutive shares, the basic and diluted earnings per share are the same.

# 35

### Net assets per share

Net assets per share is calculated by dividing the net assets at the end of the reporting period by

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the number of shares outstanding as follows:

	Parent		Parent	
	<u>Group</u>	<u>Company</u>	<u>Group</u>	<u>Company</u>
	<u>2021</u>	<u>2021</u>	<u>2020</u>	<u>2020</u>
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Net assets attributable to the Parent Company	2,472,963	2,054,829	2,257,893	1,882,111
Number of shares outstanding at 31 December	30,000,000	30,000,000	30,000,000	30,000,000
Net assets per share	0.082	0.068	0.075	0.063
	-----	-----	-----	-----

# 36

#### Contingent liabilities

	Parent		Parent	
	<u>Group</u>	<u>Company</u>	<u>Group</u>	<u>Company</u>
	<u>2021</u>	<u>2021</u>	<u>2020</u>	<u>2020</u>
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Outstanding letters of guarantee	-	-	15,000	15,000
	-----	-----	-----	-----

#### Impact of Covid 19 pandemic

Due to Covid 19 pandemic and its widespread impact on the global economy, the financial impact on the business remains uncertain. Management of the Company is taking reasonable measures to protect its interests and minimize the impact on the business. However, due to uncertainty beyond Management's control, the financial impact of the situation cannot be ascertained.