1 Legal status and principal activities

Al Madina Investment Holding SAOG ('the Parent Company') / ("AMI") was incorporated as a public joint stock company on 10 March 1996, The Parent Company commenced operations on 1 September 1996, On 13 May 2013, the Shareholders of the Parent Company in an Extraordinary General Meeting approved the change of name from Transgulf Investment Holding Company SAOG to Al Madina Investment Holding SAOG, The Shareholders of the Parent Company also passed a resolution to acquire the business of Al Madina Financial and Investment Services Company SAOC,

The Parent Company was originally primarily engaged in investment activities and brokerage services in the Gulf Cooperation Council countries and listed at Muscat Securities Market in Sultanate of Oman, However, the Board of Directors, based on a resolution dated 14 May 2019 decided to discontinue the brokerage division and others parts in the brokerage division, The registered activities are activities of holding companies,

The consolidated financial statements comprise the Parent Company and its subsidiaries, together referred to as the "Group" and the Group's interest in associates, The principal place of business of all subsidiaries and associates is in the Sultanate of Oman,

The Parent Company's percentage interests in its subsidiaries and associates (direct / indirect) as at 31 March 2022 and 31 March 2021 are as follows:

	Shareholding % 2022	Shareholding % 2021	**Principal activities**
Subsidiaries:			
Shaden Development Company SAOC ("SDC")	**-**	70,09	Real estate activities
Gulf Brand Company SAOC ("GBC")	**70,00**	70,00	Retail of food products
Oman International Marketing SAOG ("OIM")	**52,67**	52,67	Marketing activities
Al Madina Business Centre LLC ("AMBC")	**99,00**	99,00	Business center activities
Al Meethaq Al Raid Trading LLC ("AMAR")	**100,00**	100,00	Retail of medical goods and equipment
Associates:			
Al Madina Real Estate Company SAOC ("AMRE")	**18,34**	20,86	Real estate activities
Shaden Al Hail Hotel Company LLC [see note below] / ("SAHH")	**50,00**	50,00	Real estate activities

On December 26, 2021, the EGA decided to approve the acquisition of Shaden Development Company SAOC by Al-Madina Investment Holding SAOG, thus making Shaden Al Hail Hotel Company SAOC a direct associate company to the group as on March 31, 2022,

The board of directors decided to unanimously approve the merger of Shaden Development Company SAOC with Al Madina Investment Holding SAOG on the basis of the book value of the two companies as on 30 September 2021,

2 Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements, impact of COVID-19 on Group activities and going concern, critical accounting estimates, judgments and errors, These policies have been consistently applied to all the years presented, unless otherwise stated,

2,1 Basis of preparation

*(a) **Compliance with IFRS***

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS and the applicable requirements of Commercial Companies Law of 2019 and the regulations issued by the Capital Market Authority of Sultanate of Oman,

2 Summary of significant accounting policies (continued)

2,1 Basis of preparation (continued)

The preparation of these financial statements requires the use of certain critical accounting estimates, It also requires management to exercise its judgement in the process of applying the Company's accounting policies,

(b) ***Historical cost convention***

These financial statements are prepared on the historical cost basis except for investment properties and certain investments which are carried at fair value,

(c) ***Impact of COVID-19***

Year 2020-21 has seen the rapid development of the COVID-19 pandemic which the World Health Organization (WHO) declared the outbreak of corona virus (COVID-19) as a global pandemic ('pandemic') on 11 March 2020, The measures adopted by the government to contain the virus have resulted in economic uncertainties due to slowdown in supply chains, travel restrictions, and business closures, Even though the oil prices have experienced a decline in 2020 due to lower oil demand as a result of lockdowns and health measures adopted worldwide to control the spread of the pandemic, the world's economic activity is anticipated to recover gradually in 2021 leading to improved global oil demand and better oil prices, However, the second wave of pandemic spread and the ongoing uncertainties relating to the economy is likely to have impact on revenue generation and asset values of the Parent Company and the Group,

2,2 Critical accounting estimate and judgments

The preparation of the consolidated and standalone financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the resultant provisions and change in fair value for the year, Estimates and underlying assumptions are reviewed on an ongoing basis, Revision to accounting estimates are recognised in the period in which the estimates are revised and in any future period affected, Such estimates are necessarily based on assumptions about several factors involving varying, and possibly significant, degrees of judgment and uncertainty and actual results may differ from the director's estimates resulting in future changes in estimated liabilities and the values of assets, Other than the basis of preparation set out in Note 2,1, the areas when significant judgements were exercised by the directors or areas when estimates and assumptions were used are as follows:

(a) Allowance for impairment on financial assets - Measurement of the expected credit loss allowance

Loss allowances for financial assets are based on assumptions about risk of default and expected loss rates, The Group uses Parent company and the judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Group'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 in computing the expected credit losses are disclosed in note 3,1(a),

(b) ***Fair valuation of investments in unquoted securities***

For judgements and estimates relating to fair value of investment in unquoted securities, refer note 3,3 (a),

(c) ***Valuation of investment properties and buildings***

An independent external valuer, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, values the Parent company's and Group's investment properties every year, In undertaking the valuation, the external valuer has made a number of assumptions and relied upon various sources of information, The director's review assumptions based on their reasonable knowledge and other information available about the properties, Fair values are based on sales comparable method, income capitalisation or discounted cash flow as disclosed in note 2,11 depending on the type of property,

Determination of cost of developing property requires judgment and estimation as to the future costs to be incurred to complete the property, The Director's determine the estimated future costs based on level of expected work to be carried to complete the property, This assessment takes into consideration various factors such as expected period to complete the property, contract values with contractors and sub-contractors, expected variations, borrowings and borrowings costs to be incurred and provisions for cost overruns which management expects in relation to delays in completion of the project activities, These costs are capitalised as part of cost of investment properties and are adjusted against fair value gains for completed property,

2 Summary of significant accounting policies (continued)

2,2 Critical accounting estimate and judgments (continued)

*(d) **Classification of properties***

The Parent company and the Group determines whether a property is classified as investment property, property and equipment or as inventory of real estate properties (development stock), Investment properties comprise land and building either under construction or fully completed, The classification of property depends on future use of the property, The property developed for rental purposes is based on management assessment for lease as operating or finance lease, The directors determine the classification of property at inception by assessing whether the significant risks and rewards of the ownership have been transferred to the lessee or otherwise, Such assessment takes into consideration key judgments such as the nature of asset under lease, lease term, economic life of the asset, significance of present value of minimum lease payments to fair value of the asset, market value of the asset at the end of lease term and obligation to transfer ownership at the end of lease term,

*(e) **Impairment of investment in associate and subsidiaries***

The Group and the Parent Company recognise the investment in associate using the equity method of accounting and investment in subsidiaries is also accounted for using the equity method of accounting in the Parent Company's standalone financial statements, The Group and the Parent Company determine at each reporting date whether there is any objective evidence that the investment in the associate/subsidiary is impaired, Further, the directors exercise judgements relating to the impairment indicators existing at the reporting date and in determining the recoverable amount of these investments by reference to the net asset values of these investee companies,

2,3 New and amended standards adopted by the Group

The Group applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2021:

- Amendments to IFRS 3: Definition of a Business
- Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform
- Amendments to IAS 1 and IAS 8 Definition of Material
- Amendments to References to the Conceptual Framework
- Amendments to IFRS 16 Covid-19 Related Rent Concessions

The amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods,

2,4 New standards and interpretations not yet adopted

The following standards, amendments and interpretations to existing standards have been published and are mandatory for the Group's and the Parent Company's accounting periods beginning on or after 1 January 2021 or later periods, The Group and the Parent Company have not early adopted them, and these standards are not expected to have a material impact on the Group and Parent Company in the current or future reporting periods and on foreseeable future transactions,

- Annual Improvements to IFRS Standards 2018 - 2020, (effective on or after 1 January 2022)
- Amendments to IAS 16 - Property, Plant and Equipment - Proceeds before Intended Use, (effective on or after 1 January 2022)
- Amendments to IAS 37 - Onerous Contracts - Cost of Fulfilling a Contract, (effective on or after 1 January 2022)
- Amendments to IFRS 3 - Reference to the Conceptual Framework, (effective on or after 1 January 2022)
- Amendments to IFRS 17 - Insurance Contracts, (effective on or after 1 January 2023)
- Amendments to IAS 1 - Classification of Liabilities as Current or Non-current, (effective on or after 1 January 2023)

2,5 Consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries (refer note 1), Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee, Specifically, the Group controls an investee if and only if the Group has:

2 Summary of significant accounting policies (continued)

2,5 Consolidation (continued)

- Power over the investee (i,e, existing rights that give it the current ability to direct the relevant activities of the investee that significantly affect their returns)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns,

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee,
- Rights arising from other contractual arrangements,

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control,

The consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary, Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary,

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the Parent Company of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance, Where 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,

A change in the ownership interest of a subsidiary, without a change in control, is accounted for as an equity transaction, If the Group loses control over a subsidiary, it:

- derecognizes the assets (including goodwill) and liabilities of the subsidiary
- derecognizes the carrying amount of any non-controlling interests
- derecognizes the cumulative translation differences recorded in equity
- recognizes the fair value of the consideration received
- recognizes the fair value of any investment retained
- recognizes any surplus or deficit in profit or loss
- reclassifies the parent's share of components previously recognized in other comprehensive
- income to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

When the Group ceases to have control or significant influence, any retained interest in the entity is measured to its fair value, with the change in carrying amount recognized in profit or loss, The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset, In addition, any amounts previously recognized 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 recognized in other comprehensive income are reclassified to profit or loss,

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

(a) ***Transactions with non-controlling interests (NCI)***

Non-controlling interest (NCI) are initially measured at their proportionate share of the acquiree's identifiable assets at the date of the acquisition, The Group treats transactions with non-controlling interests as transactions with equity owners of the Group, The acquisition of an additional ownership interest in a subsidiary without a change of control is accounted for as an equity transaction in accordance with IFRS 10, Any excess or deficit of consideration paid over the carrying amount of the non-controlling interests is recognised in equity of the Group in transactions where the non-controlling interests are acquired or sold without loss of control,

2,6 Equity accounted investee

The Group's interests in equity-accounted investees comprises interests in associates and subsidiaries, Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies, Subsidiaries are those entities in which the Group has significant control,

At the group level, interests in associates are accounted for using the equity method while at the Parent level, both interest in associates and subsidiaries are accounted for using the equity method, They are initially recognised at cost, which includes transaction costs, Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity-accounted investees, until the date on which significant influence or joint control ceases,

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 and the Parent Company's share of post-acquisition profit or loss is recognized in the consolidated statement of profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in consolidated other comprehensive income with a corresponding adjustment to the carrying amount of the investment, When the Group and the Parent Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group and the Parent Company does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate, Dividend received or receivable from associates are recognized as a reduction in the carrying amount of the investment,

The Group and the Parent Company determine 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 and the Parent Company calculates the amount of impairment as the difference between the recoverable amount of the associate and it's carrying value and recognizes the impairment loss in the consolidated and separate statement of profit or loss,

2,7 Leases

(a) **As a lessee**

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, or the Group's incremental borrowing rate, Generally, the Parent Company uses its incremental borrowing rate as the discount rate,

The Parent Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased,

Lease payments included in the measurement of the lease liability comprise the annual fixed payments, including in-substance fixed payments, The lease liability is measured at amortised cost using the effective interest method,

When the lease liability is remeasured due to change in future lease payments, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero,

Short-term leases and leases of low-value assets
The Parent Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases since there are no lease agreements where in lease term exceeds twelve months, The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term,

(b) **As a lessor**

At inception or on modification of a contract that contains a lease component, the Parent Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices, When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease,

2 Summary of significant accounting policies (continued)

2,7 Leases (continued)

To classify each lease, the Parent Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset, If this is the case, then the lease is a finance lease; if not, then it is an operating lease, As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset,

2,8 Foreign currencies

(a) Functional and presentation currency

Items included in the financial statements of the Parent Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'), These consolidated financial statements are presented in Rial Omani, which is the functional currency of the Parent Company,

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions, Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in profit or loss, Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statement of profit or loss and other comprehensive income, within finance costs, All other foreign exchange gains and losses are presented in the statement of profit or loss and other comprehensive income on a net basis, Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined, Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss,

2,9 Financial instruments

Financial assets and financial liabilities are recognised when the Parent Company becomes a party to the contractual provisions of the instrument, The principal financial instruments of the Group and the Parent Company include investments carried at fair value through profit and loss (FVTPL), trade and other receivables, retention receivables, due from related parties, cash and cash equivalents, borrowings, due to related parties, lease liabilities, contract assets and trade and other payables,

(a) Recognition and initial measurement

Financial assets

Trade and other receivables are initially recognised when they are originated, All other financial assets and financial liabilities are initially recognised when the Group the Parent Company becomes a party to the contractual provisions of the instrument,

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

On initial recognition, a financial asset is classified as measured at amortised cost; fair value through other comprehensive income – debt instruments; fair value through other comprehensive income – equity instruments; or fair value through profit or loss,

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:

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

2 Summary of significant accounting policies (continued)

2,9 Financial instruments (continued)

Financial assets at fair value through other comprehensive income

Equity instruments which are not held for trading or issued as contingent consideration in business combination, and for which the Group and the Parent Company has made an irrevocable election at initial recognition to recognize changes in fair value through other comprehensive income rather than profit or loss, This election is made on an investment-by-investment basis,

Debt instruments where the contractual cash flows are solely principal and interest and the objective of the Group the Parent Company's business model is achieved both by collecting contractual cash flows and selling financial assets,

Financial assets at fair value through profit or loss

All financial assets not classified as measured at amortized cost or at fair value through other comprehensive income as described above are measured at fair value through profit or loss, Financial assets, at initial recognition, may be designated at fair value through profit or loss, if the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or recognizing gains or losses on them on a different basis, Gains and losses on remeasurement to fair value are recognized in profit and loss,

Financial liabilities

Financial liabilities are classified as measured at amortized cost or fair value through profit or loss, A financial liability is classified as at fair value through profit or loss if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition, Financial liabilities, at initial recognition, may be designated at fair value through profit or loss if the following criteria are met:

(a) The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the liabilities or recognizing gains or losses on them on a different basis;
(b) The liabilities are part of a Group and Parent Company's financial liabilities which are managed and their performance evaluated on fair value basis, in accordance with a documented risk management strategy; or
(c) The financial liability contains an embedded derivative that would otherwise need to be separately recorded,

Financial liabilities at fair value through profit or loss are measured at fair value and net gains and losses, including any interest expense, are recognised in the consolidated statement of profit or loss and other comprehensive income,

(b) Subsequent measurement and gain or losses

Financial assets

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 the consolidated statement of profit or loss and other comprehensive income, Any gain or loss on recognition is recognized in the consolidated statement of profit or loss and other comprehensive income,

Financial assets at fair value through other comprehensive income

(i) Debt instruments

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 the consolidated statement of profit or loss and other comprehensive income, Other net gains and losses are recognised in the consolidated statement of profit or loss and other comprehensive income,

2 Summary of significant accounting policies (continued)

2,9 Financial instruments (continued)

(ii) Equity instruments

These assets are subsequently measured at fair value, Dividends are recognised as income in the consolidated statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment, Other net gains and losses are recognised in the consolidated statement of other comprehensive income and are never reclassified to the consolidated statement of profit or loss,

Financial assets at fair value through profit or loss

These assets are subsequently measured at fair value, Net gains and losses, including any interest or dividend income, are recognised in the consolidated statement of profit or loss,

Financial liabilities

Financial liabilities are subsequently measured at amortized cost using the effective interest method, if applicable, The effective interest method is the method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period, The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition,

Interest expense and foreign exchange gains and losses are recognized in the consolidated statement of profit or loss, Any gain or loss on recognition is also recognized in the consolidated statement of profit or loss,

(c) Reclassification

Financial assets

Financial assets at fair value through other comprehensive income

The Group the Parent Company only reclassifies financial assets if, and only if, the objective of the business model for managing those financial assets is changed, Such changes are expected to be very infrequent as these changes must be significant to the Group the Parent Company's operations and demonstrable to external parties,

The Group the Parent Company determines that its business model has changed in a way that is significant to its operations, then it reclassifies all affected assets prospectively from the first day of the next reporting period (the reclassification date), Prior periods are not restated,

Financial liabilities

The Group the Parent Company determines the classification of financial liabilities on initial recognition, Subsequent reclassification is not allowed,

(d) Modifications of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, the Group the Parent Company evaluates whether the cash flows of the modified asset are substantially different, If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired, In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value,

2 Summary of significant accounting policies (continued)

2,9 Financial instruments (continued)

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in recognition of the financial asset, In this case, the Group the Parent Company recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in the consolidated statement of profit or loss,

Financial liabilities

If the terms of a financial liability are modified and the cash flows of the modified liability are substantially different then, a new financial liability based on the modified terms is recognized at fair value, The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in the consolidated statement of profit or loss,

(e) Derecognition

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a Group and the Parent Company of similar financial assets) is derecognised when:

(i) The rights to receive cash flows from the asset have expired; or
(ii) The Group and the Parent Company retains the right to receive cash flows from the asset, but assumes an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
(iii) The Group and the Parent Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset,

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been derecognized in the consolidated statement of other comprehensive income is recognized in the consolidated statement of profit or loss,

Any cumulative gain/loss recognised in the consolidated statement of other comprehensive income in respect of equity instruments designated as fair value through other comprehensive is not recognized in consolidated the statement of profit or loss on derecognition of such instrument,

When the Group and the Parent Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership, When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Parent Company continues to recognize the transferred asset to the extent of the Group and the Parent Company's continuing involvement, In that case, the Group and the Parent Company also recognizes an associated liability, The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Parent Company has retained,

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Parent Company could be required to repay,

2 Summary of significant accounting policies (continued)

2,9 Financial instruments (continued)

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired,

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the consolidated statement of profit or loss,

(f) Offsetting

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

(g) Impairment of financial assets

IFRS 9 introduced forward-looking 'expected credit loss' ('ECL') model, This requires considerable judgement about how changes in economic factors affect expected credit losses, which will be determined on a probability-weighted basis,

The Group and the Parent Company recognises loss allowances for ECLs on financial assets measured at amortised cost,

Measurement of loss allowances

The Group and the Parent Company measures loss allowances on either of the following bases:

The financial assets at amortized cost consist of due from related parties, trade and other receivables, retention receivables, contact assets and bank balances, Under IFRS 9, loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument,

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

The Group and the Parent Company assumes that the credit risk on a financial asset has significantly increased since initial recognition and while estimating expected credit loss, when there is objective evidence or indicator for the financial assets, Examples of such indicators include:

2 Summary of significant accounting policies (continued)

2,9 Financial instruments (continued)

- Significant financial difficulty of the borrower or issuer;
- Delinquency by borrower;
- Restructuring of an amount due to the Group and the Parent Company on terms that the Group and the Parent Company would not consider otherwise, indications that a borrower or issuer will enter bankruptcy;
- The disappearance of an active market for a security (if any); or
- If it past due for more than 30 days,

IFRS 9 does not define the term 'default', but instead requires each entity to do so, The definition has to be consistent with that used for internal credit risk management purposes for the relevant financial instrument and has to consider qualitative indicators – e,g, breaches of covenants – when appropriate,

The Group and the Parent Company considers a financial asset to be in default when the counter party is unlikely to pay its credit obligations to the Group and the Parent Company in full (based on indicator above), without recourse by the Group and the Parent Company to actions such as realizing security (if any is held); or the financial asset is more than 90 days past due, except for trade receivables where it is more than 180 days overdue,

Lifetime expected credit losses

These losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument, if there is significant increase in credit risk or under simplified approach,

These losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months), The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Parent Company is exposed to credit risk, An asset is credit-impaired if one or more events have actually occurred and have a detrimental impact on the estimated future cash flows of the asset,

The term 'significant increase in credit risk' is not defined in IFRS 9, An entity decides how to define it in the context of its specific types of instruments, An entity assesses at each reporting date whether the credit risk on a financial instrument has increased significantly since initial recognition, To make the assessment, an entity considers changes in the risk of default instead of changes in the amount of expected credit losses,

An entity assesses whether there has been a significant increase in credit risk at each reporting date, The impairment model in IFRS 9 is symmetrical, and assets can move into and out of the lifetime expected credit losses category, To be 'significant', a larger absolute increase in the risk of default is required for an asset with a higher risk of default on initial recognition than for an asset with a lower risk of default on initial recognition,

The management had not determined the allowance for expected credit losses related to due from related parties in accordance with requirements of IFRS 9 which had become mandatory with effective from 01 January 2018,

Expected credit losses are a probability-weighted estimate of credit losses,

Financial assets that are not credit-impaired at the reporting date

Measured as the present value of all cash shortfalls (i,e, the difference between the cash flows due to the Group and the Parent Company in accordance with the contract and the cash flows that the Group and the Parent Company expects to receive),

Financial assets that are credit-impaired at the reporting date

Measured as the difference between the gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate, Any adjustment is recognized in consolidated the statement of profit or loss as an impairment gain or loss,

2 Summary of significant accounting policies (continued)

2,9 Financial instruments (continued)

Presentation of expected credit losses

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets and is charged to the consolidated statement of profit or loss,

Write – off

The gross carrying amount of a financial asset is written-off (either partially or in full) to the extent that there is no realistic prospect of recovery, This is generally the case when the Group and the Parent Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off, However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group and the Parent Company's procedures for recovery of amounts due,

2,10 Revenue

The Group recognises revenue from contracts with customers based on the five-step model set out in IFRS 15:

Step 1 Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met,

Step 2 Identify the performance obligations in the contract**:** A performance obligation is a unit of account and a promise in a contract with a customer to transfer a good or service to the customer,

Step 3 Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties,

Step 4 Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that depicts the consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation,

Step 5 Recognise revenue when (or as) the entity satisfies a performance obligation, The Group satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

(i) The customer simultaneously receives and consumes the benefits provided by the Group's performance as and when the Group performs; or
(ii) The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
(iii) The Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date,

For performance obligations where none of the above conditions are met, revenue is recognized at the point in time at which the performance obligation is satisfied,

Variable consideration

Variable consideration amounts are estimated at either their expected value or most likely amount and included in revenue to the extent that it is highly probable that the revenue will not reverse,

Significant financing component

The Group evaluates significant financing component, if the period between customer payment and the transfer of goods/ services (both for advance payments or payments in arrears) is more than one year, The Group adjusts the promised amount of consideration for the time value of money using an appropriate interest rate reflecting the credit risk,

2 Summary of significant accounting policies (continued)

2,10 Revenue (continued)

Contract modification

A contract modification occurs when the Group and the customer approve a change in the contract that either creates new enforceable rights and obligations or changes the existing enforceable rights and obligations, Revenue related to a modification is not recognized until it is approved, Approval can be in writing, oral, or implied by customary business practices,

The Group treats the contract modification as a separate contract if it results in the addition of a separate performance obligation and the price reflects the standalone selling price of that performance obligation, Otherwise, a modification (including those that only affect the transaction price) is accounted for as an adjustment to the original contract, either prospectively or through a cumulative catch-up adjustment,

The Group accounts for a modification prospectively if the goods or services in the modification are distinct from those transferred before the modification, Conversely, the Group accounts for a modification through a cumulative catch-up adjustment if the goods or services in the modification are not distinct and are part of a single performance obligation that is only partially satisfied when the contract is modified,

Cost of obtaining and fulfilment

The Group capitalizes incremental costs to obtain a contract with a customer except if the amortization period for such costs is less than one year,

If the costs incurred in fulfilling a contract with a customer are not in the scope of other guidance - e,g, inventory, intangibles, or property and equipment - then the Group recognizes an asset only if the fulfilment costs meet the following criteria:

- Relate directly to an existing contract or specific anticipated contract;
- Generate or enhance resources that will be used to satisfy performance obligations in the future; and
- Are expected to be recovered,
- If the costs incurred to fulfil a contract are in the scope of other guidance, then the Group accounts for such costs using the other guidance,

The Group amortises the asset recognised for the costs to obtain and/or fulfil a contract on a systematic basis, consistent with the pattern of transfer of the good or service to which the asset relates, In the case of an impairment, the Group recognizes these losses to the extent that the carrying amount of the asset exceeds the recoverable amount,

Rental income from lease of investment property

Rental income arising from operating leases on investment properties is recognized, net of discount, in accordance with the terms of lease contracts over the lease term on a straight-line basis, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset,

2,11 Investment properties

Investment properties are properties held to earn rentals and / or for capital appreciation, They also include properties under development or those being constructed or developed for future use as investment property, Land with undetermined future use is also classified as investment property,

Investment properties are measured initially at cost including transaction costs, Costs include all direct costs attributable to the design and construction including related staff costs, Subsequent to initial recognition, investment properties are measured at fair value except for the properties under construction which are carried at fair value once they are substantially completed, Fair value reflects market conditions at the reporting date, Gains or losses arising from changes in the fair value of investment properties are included in the income statement in the period in which they arise,

Transfers are made to (or from) investment property only when there is a change in use, For a transfer from investment property to inventory, the deemed cost for subsequent accounting is the fair value at the date of change in use,

2,11 Investment properties (continued)

Upon completion of construction or development, a property is transferred from properties under development to completed properties, Investment properties are derecognized either when they have been disposed of (i,e,, at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal, The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the income statement in the period of recognition,

Fair value is based on valuations performed as of the reporting date or date close there to by independent professional valuers who hold recognized and relevant professional qualifications and have recent experience in the location and category of the investment property being valued, active market prices, adjusted, if necessary, for differences in the nature, location or condition of the property, The valuation model applied by the valuers is those recommended by the International Valuation Standards Committee, These valuations form the basis for the carrying amounts in the financial statements, If this information is not available, the Group uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections,

Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value, The fair value of investment property reflects, among other things, rental income from current leases and other assumptions market participants would make when pricing the property under current market conditions, Changes in fair values are recognized in the profit or loss,

2,12 Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, The cost of property, plant and equipment is their purchase price together with any incidental expenses, The cost also includes borrowing costs that are directly attributable to the acquisition of these assets up to the date of capitalisation, Following initial recognition at cost, expenditure incurred to replace a component of an item of property, plant and equipment which increases the future economic benefits embodied in the item of property, plant and equipment is capitalised, All other expenditures are recognised in the statement of comprehensive income as an expense as incurred,

Items of property, plant and equipment are derecognised upon disposal or when no future economic benefit is expected to arise from the continued use of the asset, Any gain or loss arising on de-recognition of the asset is included in the statement of income in the year the item is derecognized,

Depreciation is charged to the statement of income on a straight-line basis over the estimated useful lives of items of property, plant and equipment as follows:

	Years
Buildings	25
Equipment	3 to 10
Furniture and fixtures	4 to 10

2,13 Impairment of non-financial assets

The carrying amounts of the Group’s non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment, If any such indication exists, then the asset’s recoverable amount is estimated,

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell, In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset, For the purpose of impairment testing, assets are grouped together into the smallest Group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the “cash-generating unit”),

2 Summary of significant accounting policies (continued)

2,13 Impairment of non-financial assets (continued)

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount, Impairment losses are recognised in the consolidated statement of profit or loss,

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists, An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount, An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised,

2,14 Employees' end of service benefits

Provision for employee benefits is accrued having regard to the requirements of the Oman Labour Law 2003, as amended or in accordance with the terms and conditions of the employment contract with the employees, whichever is higher, It is also assessed as per the guidance provided in IAS 19 'Employee benefits' where the obligation is calculated using the projected unit credit method and is discounted to its present value using current market assessment of the time value of money, Employee entitlements to annual leave and leave passage are recognised when these accrue to the employees,
Contributions to a defined contribution retirement plan for Omani employees in accordance with the Omani Social Insurances Law are recognised as an expense in the consolidated statement of profit or loss as incurred,

2,15 Share capital

Shares are classified as equity when there is no obligation to transfer cash or other assets, Increment costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds,

2,16 Taxation

Income tax on the results for the year comprises current and deferred tax, Income tax is recognized in the consolidated and the Parent Company's statement of profit or loss except to the extent it relates to items recognized directly in equity or other comprehensive income,

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date and adjustments to tax payable in respect of previous years, if any,

Deferred tax is provided, using the liability method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts,
Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset will be realized or the liability will be settled, based on laws that have been enacted or substantively enacted at the reporting date,

Deferred tax assets are recognized for all deductible temporary differences and carry-forward of unused tax losses only to the extent that it is probable that taxable profits will be available against which the deductible temporary differences and the carry-forward of unused tax losses can be utilized,

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized,

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities related to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on net basis,

2,17 Provisions

Provisions are recognised in the Group and Parent Company's statement of financial position when it has a legal or constructive obligation as a result of a past event and it is probable that it will result in an outflow of economic benefit that can be reliably estimated,

2,17 Provisions (continued)

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation, Where a provision is measured using the cash flows estimated to settle the present obligation, it carrying amount is the present value of those cash flows, Where some or all of the economic benefits required to settle a provision are expected to be recovered from third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably,

2,18 Dividend distribution

Dividend distribution to the Group's shareholders is recognised as a liability in the statement of financial position in the year in which the dividends are approved by the Parent Company's shareholders,

2,19 Finance income and cost

Finance income and costs are accounted for on accrual basis based on the effective interest rate method, All interest and other costs incurred in connection with borrowings are expensed as incurred/ amortized, as part of financing costs and are accounted for on an accrual basis, except that the interest costs incurred on borrowings specifically undertaken to finance the construction of qualifying assets, are capitalised along with the cost of the asset during the construction period,

2,20 Net asset value per share

The Parent Company presents net asset value per share for its ordinary shares, Net assets value per share is calculated by dividing net assets value attributable to parent shareholders by the ordinary shares in issue at year end,

2,21 Development Stock

Properties in the process of construction or development for the purpose of sale on completion are classified as development properties, These are measured at lower of cost and net realizable value, Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses, Cost of development property is determined on the basis of the cost of land plus construction costs incurred and includes borrowing and staff costs capitalized,

2,22 Loans and borrowings

Loans and 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 cost) and the redemption value is recognised in the Parent Company's statement of comprehensive income over the period of the borrowings using the effective interest method,

2,23 Borrowing cost

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset, All other borrowing costs are expensed in the period in which they occur, Borrowing costs consist of finance cost and other costs that an entity incurs in connection with the borrowing of funds, The finance cost capitalised is calculated using the Group 's weighted average cost of borrowings after adjusting for borrowings associated with specific developments, Where borrowings are associated with specific developments, the amount capitalised is the gross finance cost incurred on those borrowings less any investment income arising on their temporary investment,

Finance cost is capitalised as from the commencement of the development work until the date of practical completion, i,e,, when substantially all of the development work is completed, The capitalisation of finance costs is suspended if there are prolonged periods when development activity is interrupted, Interest is also capitalised on the purchase cost of a site of property acquired specifically for redevelopment, but only where activities necessary to prepare the asset for redevelopment are in progress,

3 Financial instruments and financial risk management (continued)

3,1 Financial risk factors (continued)

(b) Liquidity risk (continued)

Group 30 June 2022	Carrying Value RO	Contractual cash flow RO	Less than 1 year RO	1 to 2 years RO	2 to 5 years RO	More than 5 years RO
Trade and other payables	**541,411**	**(541,411)**	**(541,411)**	**-**	**-**	**-**
Borrowings	**9,578,377**	**(9,578,377)**		**-**	**(957,838)**	**(8,620,539)**
Due to a related parties	**774,610**	**(774,610)**	**(774,610)**	**-**	**-**	**-**
	10,894,398	**(10,894,398)**	**(1,316,021)**	**-**	**(957,838)**	**(8,620,539)**
30 June 2021						
Trade and other payables	2,080,193	(2,080,193)	(2,080,193)	-	-	-
Borrowings	10,126,946	(10,126,946)	(2,346,364)	(3,414,295)	(1,098,742)	(3,267,545)
Due to related parties	523,219	(523,219)	(523,219)	-	-	-
	12,730,358	(12,730,358)	(4,949,776)	(3,414,295)	(1,098,742)	(3,267,545)

Parent Company 30 June 2022	Carrying Value RO	Contractual cash flow RO	Less than 1 year RO	1 to 2 years RO	3 to 5 years RO	More than 5 years RO
Trade and other payables	**523,105**	**(523,105)**	**(523,105)**	**-**	**-**	**-**
Borrowings	**9,578,377**	**(9,578,377)**	**-**	**-**	**(957,838)**	**(8,620,539)**
Due to a related parties	**823,718**	**(823,718)**	**(823,718)**	**-**	**-**	**-**
	10,918,186	**(10,925,200)**	**(1,346,823)**	**-**	**(957,838)**	**(8,620,539)**
30 June 2021						
Trade and other payables	670,383	(670,383)	(670,383)	-	-	-
Borrowings	4,021,051	(4,021,051)	(1,877,355)	(2,143,696)	-	-
Due to related parties	523,219	(523,219)	(523,219)	-	-	-
	5,214,653	(5,214,653)	(3,070,957)	(2,143,696)	-	-

3 Financial instruments and financial risk management (continued)

3,1 Financial risk factors (continued)

(c) Market risk

(i) Price risk

Price risk is the risk that the fair value of 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,

Equity price risk is the risk of reduction in the market value of the Group and the Parent Company's portfolio as a result of decline in the market value of individual investments, The responsibility for management of investment price risk rests with the Management of the Group and the Parent Company, Investments are made with approval from the Board and are subject to rigorous due diligence, The rating and price of the instruments are monitored on a regular basis and necessary actions are taken to reduce exposure, if needed, The entire portfolio is regularly revalued at closing market price to ensure that unrealized losses, if any, on account of reduction in the market value of the investments over its cost remains within the acceptable parameters established by the Board of Directors,

(ii) Interest rate risk

The Group's interest rate risk arises from interest bearing assets and liabilities, Financial assets where the interest rates are repriced frequently expose the Group to cash flow interest rate risk, The Group analyses its interest rate exposure on a regular basis and reassesses the applicable market variable and interest rate mix and renegotiates interest rates at terms favorable to the Group, if required,

As per the existing facility agreements, the Group has to pay at fixed profit rate ranging from 6% to 6,5% (2021 – 6% to 6,5%) on its term facilities and as per the agreements profit rate are to be reviewed every year and can be changed depending on the prevailing market conditions,

(iii) Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates, The Group is not exposed to any significant currency risk as all the foreign currency transactions are carried in USD, The Riyal Omani is effectively pegged to the USD,

3,2 Capital management

The Group and the Parent Company's objectives when managing capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders by pricing products and services commensurate with the level of risk,

The Group and the Parent Company sets capital in proportion to risk and makes adjustments to it in the light of changes in economic conditions, the risk characteristics of the underlying assets, and covenants entered into with the providers of external debt, In order to maintain or adjust the level of equity, the Group and the Parent Company adjusts the level of dividends paid to shareholders, issue new shares, or sell assets to reduce debt, The Group and the Parent Company also ensures compliance with externally imposed capital requirements,

3 Financial instruments and financial risk management (continued)

3,2 Capital management (continued)

The Group and the Parent Company monitor capital on the basis of the gearing ratio, This ratio is calculated as net debt divided by total capital, Net debt is calculated as total borrowings less cash and bank and term deposits, Total capital is calculated as 'equity' as shown in the financial position plus net debt,

	Group		Parent Company	
	2022 RO	2021 RO	**2022 RO**	2021 RO
Total borrowings	**9,578,377**	10,126946	**9,578,377**	4,021,051
Cash and cash equivalents	**(62,101)**	(451,010)	**(60,787)**	(309,616)
Net debt (A)	**9,516,276**	9,675,936	**9,517,590**	6,711,435
Total equity	**9,892,395**	9,614,776	**9,891,967**	7,978,453
Total (B)	**19,408,671**	19,290,712	**19,409,557**	14,689,888
Gearing ratio (A / B)	**49%**	50%	**49%**	46%

At 31 March 2022, the Parent Company's capital adequacy ratio was less than the minimum required ratio as per the administrative decision 41 of 2016 issued by the Capital Market Authority (CMA),

3,3 Fair value estimation

A number of accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities, The Group and the Parent Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Quoted market price (unadjusted) in an active market,
- Level 2: Valuation techniques based on observable inputs, This category includes instruments valued using quoted market prices in the active market for similar instruments, quoted market prices for identical or similar instruments in markets that are considered less than active, or other valuation techniques where all significant inputs are directly or indirectly observable from market data,
- Level 3: Valuation techniques using significant unobservable inputs, This category includes instruments that are valued based on quoted prices of similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments,

Group and the Parent Company's borrowings, carry commercial rate of interest and accordingly, approximate their fair value, The face values less any estimated credit adjustments for financial assets at amortised cost and financial liabilities with a maturity of less than one year are assumed to approximate their fair values, Fair values of investment properties are determined by external independent valuers and are classified as level 3,

(a) Investments at fair value through profit or loss

The fair value of quoted equity investments is estimated by reference to the current market value, The directors determine the fair values of the unquoted investments using net asset value of the investee companies based on the investee's financial statements when the investee's underlying assets are measured at fair value, The directors consider that the carrying value of the investment approximate to its fair value as significant portfolio of the underlying assets and liabilities of the investee companies are fair valued or in the form of assets where fair values approximate the carrying values, Therefore, no fair value adjustment has been made and unadjusted net assets value considered is representative of fair value of the investments,

4, Provision for liabilities assumed

At the end of the reporting period, the Parent Company has estimated provisions totaling RO nil (2021 – RO 1,218,300),

5 Bank balances, cash and term deposits

	Group		Parent Company	
	2022 RO	2021 RO	**2022 RO**	2021 RO
Bank balance and cash:				
Call deposits (note a)	**-**	842	**-**	842
Bank balances	**61,201**	448,766	**60,287**	307,772
Cash in hand	**900**	1,400	**500**	1,000
	62,101	451,010	**60,787**	309,616
Term deposits (note b)	**-**	20,757	**-**	20,757
	62,101	471,767	**60,787**	330,373

The following further notes apply:

(a) Bank balances include call deposits, which earn interest at commercial rates (2021 – similar terms)

(b) Term deposits are for a tenure of 12 months or less and earn interest between (2,5% - 4%) (2021 - 2,5% to 4%) per annum,

6 Trade and other receivables

	Group		Parent Company	
	2022 RO	2021 RO	**2022 RO**	2021 RO
Trade receivables	**250,494**	431,967	**235,675**	-
Dividend receivable	**13,731**	-	**13,731**	-
Prepayments and other receivables	**207,882**	185,681	**204,425**	31,768
Due from related parties [note 17 (c)]	**1,451,610**	1,658,939	**1,450,610**	114,547
	1,923,727	2,511,826	**1,904,441**	146,315
Less: allowance for expected credit losses (see note below)	**-**	(395,202)	**-**	-
	1,923,727	1,881,385	**1,904,441**	146,315

7 Investments

(a) Investments in subsidiaries:

The carrying value of investments in subsidiaries is eliminated in the process of consolidation in the Group, In the Parent Company, the investments in subsidiaries are accounted using the equity method of accounting,

The movements in the carrying value of the investment in subsidiaries in the Parent Company are as follows:

Year 2022	**AMAR RO**	**GBC RO**	**SDC RO**	**OIM RO**	**AMBC RO**	**Total RO**
At the beginning of the period	**-**	**-**	**-**	**-**	**43,014**	**43,014**
Share of results for the period	**-**	**-**	**-**	**-**	**(550)**	**(550)**
Cash dividend	**-**	**-**	**-**	**-**	**-**	**-**
At the end of the period	**-**	**-**	**-**	**-**	**42,464**	**42,464**

Year 2021	AMAR RO	GBC RO	SDC RO	OIM RO	AMBC RO	Total RO
At the beginning of the period	-	-	3,825,923	22,102	47,397	3,895,422
Share of results for the period	-	-	18,410	-	1,837	20,247
At the end of the period	-	-	3,844,333	22,102	49,234	3,915,669

7 Investments

(a) Investments in subsidiaries (continued):

The following further notes apply:

(i) The financial year ending of the subsidiaries is 31 March

(ii) Al Madina Business Centre LLC ("AMBC") is a limited liability company registered in Muscat – Sultanate of Oman having commercial registration No,1245344 and registered on 17th February 2016, The principal activity of AMBC is management of showrooms as well as renting and operating self-owned or leased residential and commercial real estate, The Parent Company holds 99% in the company,

(iii) Oman International Marketing Co, SAOG (OIM) is a joint stock company registered in the Sultanate of Oman in accordance with the Commercial Companies Law of Oman 2019, Principal activities of OIM is primarily trading in quoted securities and purchase and sale of other investments, The registered address and the principal place of the company is PO Box -734, PC -131, Muscat, Sultanate of Oman, The company registration number is 1458442, The Parent Company holds 52,67% in the company, The EGM of OIM held on 23 June 2020 have resolved to liquidate OIM and an official liquidator was appointed, The liquidation is in the process by the liquidator,

(iv) Gulf Brand Company SAOC ("GBC") is a company registered in the Sultanate of Oman, The Company's registered office and principal address is P,O, Box 171, Ruwi, Postal Code 112, Sultanate of Oman, The company registration number is 1093341, The Parent Company holds 70% in the company, The operations of GBC were resolved to be liquidated and an official liquidator was appointed during the year ended 31 March 2020, The investment in GBC amounting to RO 525,000 had been fully impaired in previous years in the Parent Company,

(v) Al Meethaq Al Raid LLC ("AMAR") is a limited liability company registered in Muscat – Sultanate of Oman under commercial registration No, 1172449, The Company's registered address is P,O Box 171, Postal code 112, Sultanate of Oman, The principal activities of AMAR are specialized radiology centers (x-ray laboratories and other diagnostic imaging centers), The Parent Company had a 32,17% stake in AMAR, which was designated as investment at fair value through profit or loss in an earlier period and was fully impaired, During the year 2020, the Parent Company increased its stake in AMAR from 32,17% to 100% at nil consideration, The change in shareholding was effective from 29 March 2020,

The Group had assumed certain liabilities in the previous year as the subsidiary had a deficiency of assets and the Parent Company had guaranteed continuous financial support to the investee company to enable it to meet its liabilities as they fall due,

(vi) The results of the subsidiaries and summary of assets and liabilities, not adjusted for proportion of ownership, are set out below:

(b) Investments in associates:

The Group and the Parent Company apply the equity method of accounting to account for the investments in associates,
The movements in the carrying value of the investments in associates in the Group is as follows:

Group 30 June 2022	**AMRE** **RO**	**SAHH** **RO**	**Total** **RO**
At the beginning of the period	**4,458,456**	**2,049,056**	**6,507,512**
Sale of share			
Share of results for the period	**(142,420)**	**(122)**	**(142,542)**
Share of other comprehensive income for the period	**(8,270)**	**-**	**(8,270)**
Impairment of associate	**-**	**-**	**-**
At the end of the period	**4,307,766**	**2,048,934**	**6,356,700**

7 Investments (continued)

(b) Investments in associates (continued):

30 June 2021	AMRE RO	SAHH RO	Total RO
At the beginning of the period	4,774,007	2,050,155	6,824,162
Share of results for the period	-	(225)	(4,292)
Share of other comprehensive income for the period	-	-	
At the end of the period	4,774,007	2,049,930	6,823,937

The following further notes apply:

(i) The financial year end of the associates is 31 December,

(ii) The summarized financial position and performance of associates, not adjusted for proportion of ownership, is as follows:

Year ended 31 December 2021	**AMRE RO**	**SAHH RO**
Assets		
Non-current assets	**58,729,256**	**11,917,421**
Current assets	**3,221,669**	**1,739,063**
Total assets	**61,950,925**	**13,656,484**
Liabilities		
Non-current liabilities	**14,875,287**	**7,974,394**
Current liabilities	**22,765,682**	**1,583,977**
Total liabilities	**37,640,969**	**9,558,371**
Revenue	**1,301,374**	**-**
Net loss for the year	**(510,004)**	**(2,199)**
Other comprehensive loss for the year	**(65,543)**	**-**
Net loss and total comprehensive loss	**(575,547)**	**(2,199)**

Year ended 31 December 2020	AMRE RO	SAHH RO
Assets		
Non-current assets	43,387,105	11,415,630
Current assets	9,795,093	1,762,957
Total assets	53,182,198	13,178,587
Liabilities		
Non-current liabilities	6,199,087	7,905,147
Current liabilities	22,097,608	1,173,128
Total liabilities	28,296,695	9,078,275
Revenue	988,244	-
Net loss for the year	(6,318,846)	(4,523)
Other comprehensive loss for the year	(66,885)	-
Net loss and total comprehensive income	(6,385,731)	(4,523)

7 Investments (continued)

(c) Investments at fair value through profit and loss,

(i) The sector-wise analysis of the Group's and the Parent Company's carrying value of investments at fair value through profit or loss is as follows:

	Group		Parent Company	
	2022	2021	**2022**	2021
	RO	RO	**RO**	RO
Quoted investments *(Level 1):*				
- Banking and investment sector	**-**	46,169	**-**	-
- Industrial sector	**462,944**	492,369	**462,944**	492,369
	462,944	538,538	**462,944**	492,369
Un-quoted investments *(Level 3)*	**5,533,473**	6,051,820	**5,533,473**	6,049,320
	5,996,417	6,590,358	**5,996,417**	6,541,689

Quoted investments – Group	**2022**		2021	
	Average cost	**Fair value**	Average cost	Fair value
	RO	**RO**	RO	RO
Quoted investments				
Gulf Mushroom Products Co, SAOG	**230,210**	**462,944**	230,210	492,369
Bank Muscat SAOG	**-**	**-**	37,435	46,169
	230,210	**462,944**	267,645	538,538
Cumulative changes in fair value	**234,695**	**-**	270,893	-
Total quoted investments	**464,905**	**462,944**	538,538	538,538

Un-quoted investments – Group	**2022**		2021	
	Cost	**Fair value**	Cost	Fair value
	RO	**RO**	RO	RO
Un-quoted investments				
Tilal Development Company SAOC	**3,289,788**	**4,657,500**	3,289,788	4,973,175
National Mass Housing Company SAOC	**1,102,500**	**907,200**	1,102,500	905,100
Edara Real Estate	**-**	**-**	30,000	41,767
BHM Capital (Al Safwa)	**-**	**-**	270,050	83,555
BIW Business Park	**76,158**	**42,681**	76,158	42,681
EFG Capital E Secondary IIILP	**54,115**	**1,407**	54,115	1,406
Ras Al Kaimah Property Company	**3,104**	**2,310**	3,104	1,636
Modern Sukuk company SAOC	**-**	**-**	2,500	2,500
	4,525,665	**5,533,473**	4,828,215	6,051,820
Cumulative changes in fair value	**1,007,808**	**-**	1,223,605	-
Total un-quoted investments	**5,533,473**	**5,533,473**	6,051,820	6,051,820

(i) The sector-wise analysis of the Group's and Parent Company's carrying value of investments at fair value through profit or loss is as follows: (continued)

Quoted investments – Parent	**2022**		2021	
	Average cost	**Fair value**	Average cost	Fair value
	RO	**RO**	RO	RO
Quoted investments				
Gulf Mushroom Products Co, SAOG	**230,210**	**462,944**	230,210	492,369
	230,210	**462,944**	230,210	492,369
Cumulative changes in fair value	**232,734**	**-**	262,159	-
Total quoted investments	**462,944**	**462,944**	492,369	492,369

7 Investments (continued)

(c) Investments at fair value through profit and loss (continued)

Un-quoted investments – Parent	2022 Average cost RO	2022 Fair value RO	2021 Average cost RO	2021 Fair value RO
Un-quoted investments				
Tilal Development Company SAOC	**3,289,788**	**4,657,500**	3,289,788	4,973,175
National Mass Housing Company SAOC	**1,102,500**	**907,200**	1,102,500	905,100
Edara Real Estate	**-**	**-**	30,000	41,767
BH Mubasher Financial Services PSC	**-**	**-**	270,050	83,555
BIW Business Park	**76,158**	**42,681**	76,158	42,681
EFG Capital E Secondary IIILP	**54,115**	**1,407**	54,115	1,406
Ras Al Kaimah Property Company	**3,104**	**2,310**	3,104	1,636
	4,525,665	**5,533,473**	4,825,715	6,049,320
Cumulative changes in fair value	**1,007,808**	**-**	1,223,605	-
Total un-quoted investments	**5,533,473**	**5,533,473**	6,049,320	6,049,320

(ii) Details of the Parent Company's investments at FVTPL in which the carrying value exceeds 10% of the market value of the Parent Company's investments at FVTPL are as follows:

Year 2022	**% of total holding**	**Number of shares**	**Fair value RO**	**Cost RO**
Tilal Development Company SAOC	**76%**	**1,725,000**	**4,657,500**	**3,289,788**
National Mass Housing Company SAOC	**14%**	**1,050,000**	**907,200**	**1,102,500**

Year 2021	% of total holding	Number of shares	Fair value RO	Cost RO
Tilal Development Company SAOC	78%	1,725,000	4,973,125	3,289,788
National Mass Housing Company SAOC	14%	1,050,000	905,100	1,102,500

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

	Group		Parent Company	
	2022 RO	2021 RO	**2022 RO**	2021 RO
At the beginning of the year	**6,126,003**	6,590,358	**6,126,003**	6,541,689
Sold during the year	**(50,000)**	-	**(50,000)**	-
Fair value changes during the year	**(79,586)**	-	**(79,586)**	-
At the end of the year	**5,996,417**	6,590,358	**5,996,417**	6,541,689

(c) Investments at fair value through profit and loss (continued)

(iv) The unquoted investments have been fair valued based on their audited net asset values at 31 December 2021 as a substantial portion of the net assets of the investee entities are carried at their estimated fair values,

(v) Certain quoted investments are pledged as securities against credit facilities obtained from commercial Banks (note 14),

(vi) At the end of the reporting period, none of the Parent Company's investments at FVTPL represent 10 % or more of the investees' share capital (2021 – 10%),

(vii) Valuation techniques and significant unobservable inputs used for valuation of larger unquoted securities are as follows:

7 Investments (continued)

Tilal Development Company SAOC:

Valuation Technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
2022		
Net asset value: The fair value of unquoted equity securities is measured based on the investee's net asset value, The investee company is a property holding company and the underlying investment properties and net assets are carried at fair value, The investee company's value is mainly derived from holding the assets for rental and capital appreciation purposes,	Net assets	The estimated fair value would increase/ (decrease) if: Net assets was higher / (Lower)
2021		
Net asset value: The fair value of unquoted equity securities is measured based on the investee's net asset value, The investee company is a property holding company and the underlying investment properties and net assets are carried at fair value, The investee company's value is mainly derived from holding the assets for rental and capital appreciation purposes,	Net assets	The estimated fair value would increase/ (decrease) if: Net assets was higher / (Lower)

National Mass Housing Company SAOC:

Valuation Technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
2022		
Net asset value: The fair value of unquoted equity securities is measured based on the investee's net asset value, The investee company is a property holding company and the underlying investment properties and net assets are carried at fair value, The investee company's value is mainly derived from holding the assets for rental and capital appreciation purposes,	Net assets	The estimated fair value would increase/ (decrease) if: Net assets was higher / (Lower)
2021		
Net asset value: The fair value of unquoted equity securities is measured based on the investee's net asset value, The investee company is a property holding company and the underlying investment properties and net assets are carried at fair value, The investee company's value is mainly derived from holding the assets for rental and capital	Net assets	The estimated fair value would increase/ (decrease) if: Net assets was higher / (Lower)

appreciation purposes,

8 Inventory of real estate properties

	Group		Parent	
	2022 RO	2021 RO	**2022 RO**	2021 RO
At the beginning of the year	**1,899,262**	1,899,262	**1,899,262**	-
Additions during the year				
Transfer to cost of property sold			**-**	-
	1,899,261	2,077,163	**1,899,262**	-

9 Investment properties

	Group		Parent Company	
	2022 RO	2021 RO	**2022 RO**	2021 RO
At the beginning of the year	**4,739,128**	3,460,000	**4,739,128**	1,279,128
Fair value changes during the year	**-**		**-**	
At the end of the year	**4,739,128**	3,460,000	**4,739,128**	1,279,128

(a) The subsidiary's investment properties are stated at fair values as determined by an independent valuer at 31 December 2021,

(b) The Group's investment properties are mortgaged with a local commercial bank as security for the term loans obtained [notes 14 a) and 14 b)],

(c) The operating leases, in which the Group is the lessor, relate to investment properties owned by the lessor with lease terms of between 10 to 20 years, The lessees do not have an option to purchase the property at the expiry of the lease period,

(d) The rental income earned from the Parent Company and Group during the year amounted to RO 431,565 and RO 70,405 (2021 – RO 429,397 and RO 63,600) respectively,

10 Property, plant and equipment

Group and Parent Company	**Building RO**	**Furniture and fixtures RO**	**Equipment RO**	**Total RO**
Cost				
At 1 April 2022	**128,716**	**391,984**	**128,676**	**649,376**
Additions during the period				
Disposals during the period				
At 30 June 2022	**128,716**	**391,984**	**128,676**	**649,376**
Depreciation				
At 1 April 2022	**43,746**	**378,362**	**126,569**	**548,677**
Charge for the period	**1,284**	**1,818**	**276**	**3,378**
Disposals during the period				
At 30 June 2022	**45,030**	**380,180**	**126,845**	**552,055**
Net book value				
At 31 March 2022	**83,686**	**11,804**	**1,831**	**97,321**

10 Property, plant and equipment (continued)

Group	Building RO	Furniture and fixtures RO	Equipment RO	Total RO
Cost				
At 1 April 2021	1,429,950	476,999	569,266	2,476,215
Additions during the period				
Disposals during the period				
At 30 June 2021	1,429,950	476,999	569,266	2,476,215
Depreciation				
At 1 April 2021	-	349,100	280,595	629,695
Charge for the period	12,170	10,415	29,013	51,598
Disposals during the period				
At 30 June 2021	12,170	359,515	309,608	681,922
Net book value				
At 30 June 2021	1,417,780	117,484	259,658	1,794,922

Parent Company	Building RO	Furniture and fixtures RO	Equipment RO	Total RO
Cost				
At 1 April 2021	128,716	356,162	225,525	710,403
Additions during the period				
Disposals during the period				
At 30 June 2021	128,716	356,162	225,525	710,403
Depreciation				
At 1 April 2021	38,597	333,931	222,086	594,614
Charge for the period	1,287	2,154	322	3,763
Disposals during the period				
At 30 June 2021	39,884	336,086	222,408	598,377
Net book value				
At 30 June 2021	88,832	20,076	3,117	111,026

11 Share capital, share premium and fair value reserve

(a) Share capital

1) At the end of the reporting period, the Parent Company's authorised share capital is RO 50,000,000 (2021 – RO 50,000,000) comprising of 500,000,000 (2021 – 500,000,000) ordinary shares,

2) The issued and paid up share capital at the end of the reporting period is RO 8,500,000 comprising 85,000,000 fully paid up shares (2021 – RO 20,715,138 comprising 207,151,384 shares,

3) At the end of the reporting period, Shareholders of the Parent Company who own 10% or more of the Parent Company's shares, and the number of shares they hold are as follows:

	2022		2021	
	Number of shares	**% held**	Number of shares	% held
Moh'd Ali Al Naki	**8,625,294**	**10,15%**	20,269,966	9,79%

MB Holding Company LLC	**8,340,166**	**9,81%**	23,504,083	11,35%
Emirates NBD Bank	**7,964,325**	**9,37%**	22,444,896	10,84%

11 Share capital, share premium and fair value reserve (continued)

(b) Share premium

Share premium represents the excess of contributions received over the nominal value of shares issued by the Company in an earlier period,

(c) Fair value reserve

Fair value reserve represents share of reserve an associate relating to investments at fair value through other comprehensive income,

12 Legal reserve

In accordance with the Commercial Companies Law of Oman, annual appropriation of 10% of the net profit for the year is to be made to the legal reserve until the reserve equals one third of the share capital, The reserve is not available for distribution but can be utilized to set off against any accumulated losses and increasing the respective Company's capital by issuing shares, During the year an amount of R,O 106,708 (2021:R,O Nil) was transferred to legal reserve,

13 Earnings, dividend and net assets per share

(a) Net assets per share:

	Group		Parent Company	
	2022	2021	**2022**	2021
Equity attributable to the Shareholders of the Parent Company (RO)	**9,891,967**	8,228,132	**9,891,967**	7,978,453
Number of shares outstanding	**85,000,000**	207,151,384	**85,000,000**	207,151,384
Net assets per share (RO)	**0,116**	0,040	**0,116**	0,039

(b) Earnings per share:

	Group		Parent Company	
	2022	2021	**2022**	2021
Loss attributable to the Shareholders of the Parent Company (RO)	**(183,084)**	(224,486)	**(183,084)**	(148,591)
Weighted average number of shares outstanding during the year	**85,000,000**	207,151,384	**85,000,000**	207,151,384
Earnings per share (RO)	**0,002**	(0,002)	**0,002**	(0,001)

As there are no dilutive potential shares, the diluted earnings per share are identical to the basic earnings per share,

The Board of Directors have proposed nil (2021: nil) dividend for the year,

14 Term Loans

	Group		Parent Company	
	2022 RO	2021 RO	**2022 RO**	2021 RO
Term loan 1 (note a)	**3,465,000**	3,465,000	**3,465,000**	3,465,000
Term loan 2 (note b)	**5,513,306**	5,449,732	**5,513,306**	-
Term loan 3 (note c) and (note 7 a)	**-**	580,167	**-**	-
	8,978,306	9,494,899	**8,978,306**	3,465,000

Add: Accrued interest	**847,837**	862,676	**847,837**	556,051
Less: Deferred financing costs	**(247,766)**	(230,629)	**(247,766)**	-
	9,578,377	10,126,946	**9,578,377**	4,021,051

14 Term Loans (continued)

The following further notes apply:

(a) Term loan 1 was obtained from Alizz Islamic Bank SAOG with original limit of RO 7,7 Million, The term loan is for a period of 7 years and carries an annual profit share at 6% to 6,5% (2021 – 6%) and is repayable in semi-annual instalments, The loan is secured by following:

- registered legal mortgage over commercial building number 6, Tilal Complex, 1,744 square meters valued at RO 1,5 million;
- registered mortgage of quoted investments of Gulf Mushroom Products Company SAOG;
- registered legal mortgage of 1 million shares of Tilal Development Company SAOC with a carrying value of RO 2,88 million; and
- registered legal mortgage of 4,17 million shares of Al Madina Real Estate Company SAOC with a carrying value of RO 4,77million,

(b) Term loan 2 represents long term musharika availed on 24 October 2019 from Alizz Islamic bank SAOG (the bank) of RO 5,5 million, The facility is secured by way of legal mortgage on investment properties, custody of unsold apartments, assignment of rent receivables from investment properties, receivables from sale of apartments and undertaking from the Parent Company to service the installments in case of shortfall, The facility is payable in step up quarterly installments starting from 05 February 2020, Tenure of the facility is 12 years with substantial part of the repayment is at the end of the tenure as bullet payment in the amount of RO 4,2 million, The facility carried profit rate of 6% per annum

(c) Term loan 3 represents Diminishing Musharaka facility obtained by AMAR from Meethaq Bank which is secured by the following:

- first commercial charge over the fixed assets of AMAR; and
- corporate guarantee of the Parent Company,

15 Taxation

(a) Components of taxation charge

	Group		Parent Company	
	2022	2021	**2022**	2021
	RO	RO	**RO**	RO
Statement of financial position				
Provision for taxation	**31,066**	27,889	**31,066**	24,307
Deferred tax liability	**247,766**	230,629	**247,766**	-
	278,832	258,518	**278,832**	24,307

The Parent Company and it's subsidiaries are subject to income tax at 15% of taxable income (2021 – 15%), No provision for current taxation with respect to the Parent Company has been made since the company has carry forward losses,
The following further notes apply: (continued)

(a) The status of the taxation assessments of the Companies within the Group pending to be finalised by the Tax Authority is as follows:

	Assessments pending for years
Al Madina Investment Holding SAOG	2019 to 2021
Shaden Development Company SAOC	2017 to 2021
Oman International Marketing SAOG	Under liquidation
Gulf Brand Company SAOC	Under liquidation
Al Madina Business Centre LLC	2020
Al Meethaq Al Raid Trading LLC	2019 to 2021

The Board of Directors and the Management believe that the amount of additional taxes, if any that may arise on completion of the assessments for the above years, will not be material to the financial position of the Group at the end of the reporting period,

16 Trade and other payables

	Group		Parent Company	
	2022	2021	**2022**	2021
	RO	RO	**RO**	RO
Trade payables	**88,116**	221,321	**61,810**	-
Dues to related parties [note 17 c)]		1,341,996		236,618
Advance from customers	**133,793**	76,591	**133,793**	-
Accruals and other payables	**327,502**	440,285	**327,502**	433,765
	549,411	2,080,193	**523,105**	670,383

17 Related party transactions and balances

(a) The Group, the Parent Company and the subsidiaries enter into transactions in the ordinary course of business between themselves, with the Directors, Shareholders and entities in which certain Directors or Shareholders of the Parent Company have significant influence or control, Prices and terms of payment for these transactions are approved by the Management and Board of Directors,

The nature and volume of significant related party transactions were as follows:

	Group		Parent Company	
	2022	2021	**2022**	2021
	RO	RO	**RO**	RO
Transactions with subsidiaries:				
Rental income			**15,900**	15,900
Provision for subsidiary liabilities			**(550)**	
Profit on loan from a subsidiary [expense] (see note below)		8,031		8,031
Dividend from a subsidiary		52,979		142,055
Share of result of subsidiaries				
Purchase of share of subsidiary				
Transactions with associates:				
Share of result of associates	**(142,542)**		**(142,542)**	
Advance received		10,000		10,000
Transactions with other related parties:				
Other income	**-**	-	**-**	-
Dividend income	**13,731**	-	**13,731**	-
Amount due to a related party	**823,718**	-	**774,610**	-
Amount due from related parties	**1,450,610**		**1,451,610**	

(b) The key management personnel compensation for the year comprises:

	Group		Parent Company	
	2022	2021	**2022**	2021
	RO	RO	**RO**	RO
Short term employment benefits	**9,000**	4,084	**9,000**	4,084
End of service benefits	**312**	118	**312**	118
	9,312	4,202	**9,312**	4,202

Directors' meeting attendance fees	**5,000**	4,400	**5,000**	
	14,312	8,602	**14,312**	4,202

17 Related party transactions and balances (continued)

(c) The amounts due from and due to related parties are interest free and payable as per mutually agreed terms (2021 – similar terms) except for amount due to a related party amounting to RO 500,000 which carries profit rate of 5% per annum (2021 amount RO 500,000– 5%),

18 Salaries and employee related costs

(a) *Salaries and employee related costs include the following:*

	Group		Parent Company	
	2022 RO	2021 RO	**2022 RO**	2021 RO
Salaries, wages and other benefits	**21,023**	50,773	**14,598**	30,073
Contributions to defined retirement plan for Omani employees	**2,446**	3,192	**1,307**	2,687
Other benefits	**8,134**	3,516	**5,381**	2,207
	31,603	57,481	**21,286**	34,967

19 Other operating costs

	Group		Parent Company	
	2022 RO	2021 RO	**2022 RO**	2021 RO
Rent and rental property related expenses	**670**	18,639		855
Professional fees	**505**	17,450	**505**	5,779
Registration fees	**7,946**	11,002	**7,825**	11,265
Directors' meeting attendance fees	**5,000**	5,400	**5,000**	
Board meeting Expenses				
Repairs and maintenance	**3,120**	5,135	**2,843**	1,482
Miscellaneous expenses	**927**	4,895	**809**	1,352
Postage and telephone	**2,401**	2,876	**327**	342
Insurance		4,543		3,462
AGM meeting expenses	**1,549**	2,800	**1,549**	2,800
Other wages	**750**	1,976		
Advertising	**263**	589	**263**	489
Printing and stationery	**222**	81	**19**	30
Bank charges	**77**		**61**	
Compensation	**13,793**		**13,793**	
	37,223	74,286	**33,034**	26,856

20 Corresponding figures

Comparatives have been regrouped or reclassified wherever necessary in order to conform to the presentation adopted in these consolidated and separate financial statements,