

Financial Statements and Independent Auditor's Report
Al Sallan Food Industries Company SAOC
31 March 2024

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Independent Auditor's report

To the Shareholders of
Al Sallan Food Industries Company SAOC
P.O. Box 970
Postal Code 311
Sohar
Sultanate of Oman

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Al Sallan Food Industries Company SAOC (the "Company"), which comprise the statement of financial position as at 31 March 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Independent Auditor's report (continued)

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

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with IFRSs and the requirements of the Commercial Companies Law of the Sultanate of Oman, 2019, as amended, and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

Independent Auditor's report (continued)

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Further, as required by the applicable provisions of the Commercial Companies law of the Sultanate of Oman, 2019, as amended, and the Ministerial Decision 146/2021, we report that:

- we have obtained all the information and explanations we considered necessary for the purpose of our audit;
- the Company has maintained accounting records and the financial statements are in agreement therewith;
- the Company has carried out physical verification of inventories; and
- based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Company has contravened during the year ended 31 March 2024 any of the applicable provisions of the Commercial Companies Law of the Sultanate of Oman, 2019, as amended, or of its Articles of Association which would materially affect the financial performance or its financial position as at 31 March 2024.

We further report that, the Company has lost 100% of its share capital as at the reporting date. This has resulted in the application of Article 147 of Commercial Companies Law, 2019 of Sultanate of Oman, which requires the Board of Directors to convene an extra ordinary general meeting, within 30 days from the date when the aforementioned loss is ascertained by the Board of Directors, for adopting necessary resolutions for remedying the causes which led to such losses and restore the Company to the status of profitability. The Board of Directors have planned to conduct extra ordinary general meeting on the date of Annual General Meeting for the said matter.

Nasser Al Mugheiry
Licence No. L2054901
ABU TIMAM
(Chartered Certified Accountants)



29 April 2024

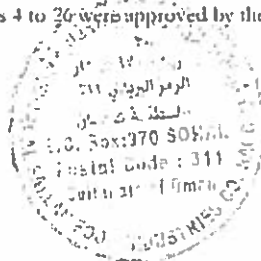
Statement of financial position

as at 31 March 2024

		31 March 2024	31 March 2023
	Notes	IRO	IRO
ASSETS			
Non-current assets:			
Property, plant and equipment	5	1,321,877	1,310,513
Right-of-use asset	6	524,393	544,757
Total non-current assets		1,846,270	1,855,270
Current assets:			
Inventories	7	1,273,801	1,348,033
Other receivables	8	476,228	470,518
Amounts due from related parties	13.2	253,013	258,859
Cash and cash equivalents	9	259,893	347,600
Total current assets		2,262,935	2,425,010
Total assets		4,109,205	4,280,280
EQUITY AND LIABILITIES			
Equity			
Share capital	10	2,000,000	2,000,000
Legal reserve	11	300,399	262,319
Accumulated losses		(2,871,027)	(3,213,744)
Total equity		(570,628)	(951,425)
LIABILITIES			
Non-current liabilities:			
Lease liability	6	627,759	620,844
Term loan from Parent Company	13.3	1,156,200	1,925,200
Staff terminal benefits	12	403,583	316,495
Total non-current liabilities		2,187,542	2,862,539
Current liabilities:			
Amount due to a related party	13.2	384,708	448,477
Trade and other payables	14	2,107,583	1,920,689
Total current liabilities		2,492,291	2,369,166
Total liabilities		4,679,833	5,231,705
Total equity and liabilities		4,109,205	4,280,280

These financial statements on pages 4 to 26 were approved by the Board of Directors on _____ 2024 and were signed on its behalf by:


ANNU GUPTA
CHAIRMAN




VISHAL BHIMANI
DIRECTOR

The accompanying notes on pages 8 to 26 form an integral part of these financial statements.

The report of the Auditor is set forth on pages 1 to 3.



Statement of profit or loss and other comprehensive income

for the year ended 31 March 2024

	Notes	Year ended 31 March 2024 RO	Year ended 31 March 2023 RO
Revenue	15	10,759,879	11,150,313
Cost of revenue	16	(8,823,204)	(9,278,129)
Gross profit		1,936,675	1,872,184
Other income		12,319	20,182
General and administrative expenses	17	(694,325)	(656,486)
Selling and distribution expenses	18	(627,110)	(623,397)
Other operating expenses	19	(70,113)	(82,862)
Profit from operations		557,446	529,621
Finance costs	20	(176,649)	(148,055)
Profit before income tax		380,797	381,566
Income tax	21	-	-
Profit for the year		380,797	381,566
Other comprehensive income for the year		-	-
Total comprehensive income for the year		380,797	381,566

The accompanying notes on pages 8 to 26 form an integral part of these financial statements.

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Statement of changes in equity

for the year ended 31 March 2024

	Share capital RO	Legal reserve RO	Accumulated losses RO	Total RO
At 1 April 2022	2,000,000	224,162	(3,557,153)	(1,332,991)
Profit for the year	-	-	381,566	381,566
<i>Total comprehensive income for the year</i>	-	-	381,566	381,566
Transfer to legal reserve	-	38,157	(38,157)	-
At 31 March 2023	2,000,000	262,319	(3,213,744)	(951,425)
At 1 April 2023	2,000,000	262,319	(3,213,744)	(951,425)
Profit for the year	-	-	380,797	380,797
<i>Total comprehensive income for the year</i>	-	-	380,797	380,797
Transfer to legal reserve	-	38,080	(38,080)	-
At 31 March 2024	2,000,000	300,399	(2,871,027)	(570,628)

The accompanying notes on pages 8 to 26 form an integral part of these financial statements.

The report of the Auditor is set forth on pages 1 to 3.

Statement of cash flows

for the year ended 31 March 2024

	Notes	Year ended 31 March 2024 RO	Year ended 31 March 2023 RO
Cash flows from operating activities:			
Profit for the year before income tax		380,797	381,566
Adjustments for:			
Depreciation of property, plant and equipment	5	143,836	242,969
Depreciation of right-of-use asset	6	20,364	20,364
Provision for slow moving and obsolete inventories	7.1	79,375	50,000
Provision for staff terminal benefits	12	99,105	47,939
Interest on lease liability	20	21,600	21,367
Finance costs		155,049	126,688
Operating profit before working capital changes		900,126	890,893
Changes in working capital:			
Inventories		(5,143)	(100,447)
Other receivables		(5,710)	(52,859)
Trade and other payables		186,894	(591,212)
Amount due to a related party		(63,769)	301,239
Amounts due from related parties		5,846	(37,540)
Cash generated from operations		1,018,244	410,074
Staff terminal benefits paid	12	(12,017)	(13,288)
Net cash generated from operating activities		1,006,227	396,786
Cash flows from investing activities:			
Additions to property, plant and equipment	5	(155,200)	(147,075)
Net cash used in investing activities		(155,200)	(147,075)
Cash flows from financing activities:			
Lease rentals paid	6	(14,685)	(14,685)
Finance costs paid		(155,049)	(126,688)
Net movement in term loan		(769,000)	-
Net cash used in financing activities		(938,734)	(141,373)
Net (decrease)/ increase in cash and cash equivalents		(87,707)	108,338
Cash and cash equivalents at the beginning of the year		347,600	239,262
Cash and cash equivalents at the end of the year	9	259,893	347,600

The accompanying notes on pages 8 to 26 form an integral part of these financial statements.

The report of the Auditor is set forth on pages 1 to 3.

Notes

(forming part of the financial statements)

1 Nature of operations

Al Sallan Food Industries Company SAOC (the "Company") is registered as a closed joint stock company in the Sultanate of Oman and is primarily engaged in manufacture and selling of cookies, fruit filled rolls, chocolates and biscuits.

2 General information and statement of compliance with IFRSs

Al Sallan Food Industries Company SAOC (the "Company") is a closed joint stock Company registered under registration no. 3157580 in the Sultanate of Oman, on 17 October 1994 in accordance with the Commercial Companies Law of the Sultanate of Oman.

The Company is a subsidiary of Britannia and Associates (Dubai) Private Company Ltd. who owns 65.46% shares of the Company. The ultimate parent of the Company is Britannia Industries Limited, India.

The registered address of the Company is P.O. Box 970, Postal Code 311, Sultanate of Oman.

These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB), the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) of the IASB and, the requirements of the Commercial Companies Law of the Sultanate of Oman, 2019, as amended.

3 New or revised Standards or Interpretations

3.1 New Standards adopted as at 1 April 2023

Some accounting pronouncements which have become effective since 1 April 2023 and have therefore been adopted do not have a significant impact on the Company's financial results or position.

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

At the date of authorisation of these financial statements, several other new, but not yet effective, Standards, and amendments to existing standards have been published by the IASB or IFRIC. None of these Standards or amendments to existing Standards have been adopted early by the Company and no Interpretations have been issued that are applicable and need to be taken into consideration by the Company at either reporting date.

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

4 Material accounting policies

4.1 Overall considerations

The financial statements have been prepared using the measurement basis specified by IFRSs for each type of asset, liability, income and expense. The measurement basis are more fully described in the accounting policies below.

The material accounting policies set out below have been applied consistently by the Company to all years presented in these financial statements.

4.2 Presentation of financial statements

The Company's financial statements are presented in accordance with IAS 1 *Presentation of Financial Statements*.

Notes

(forming part of the financial statements)

4 Material accounting policies (continued)

4.3 Foreign currency translation

Functional and presentation currency

The financial statements are presented in Rial Omani (RO) which is also the functional currency of the Company.

Foreign currency transaction and balances

Foreign currency transactions are translated into the presentation currency of the Company, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items of statement of financial position at year-end exchange rates are recognised in the statement of profit or loss and other comprehensive income under 'other income' or 'other expenses'.

Non-monetary items measured at historical cost are translated using the exchange rates at the date of the transaction (not retranslated). Non-monetary items measured at fair value are translated using the exchange rates at the date when the fair value was determined.

In the Company's financial statements, all items and transactions of the Company with a transaction currency other than Rial Omani (the Company's presentation currency) were translated into the presentation currency. Assets and liabilities have been translated into Rial Omani at the closing rate at the reporting date.

4.4 Revenue recognition

The Company is engaged in manufacturing and selling of cookies, fruit filled rolls, chocolates and biscuits to a related party, Strategic Food Industries Company LLC (SFIC), based in UAE. To determine whether to recognise revenue, the Company follows five step process:

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 Company 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 Company will allocate the transaction price to each performance obligation in an amount that depicts the consideration to which the Company 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 Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

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

Notes

(forming part of the financial statements)

4 Material accounting policies (continued)

4.4 Revenue recognition (continued)

The Company manufactures and sells a range of biscuits and cookies and related products. Revenue is recognised when control of the products is transferred, being when the products are delivered to the customer. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss has been transferred to the related party (SFIC), and either the related party has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

4.5 Operating expenses

Operating expenses are recognised in the statement of profit or loss and other comprehensive income upon utilisation of the service or as incurred.

4.6 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and cash at bank which are subject to an insignificant risk of changes in value.

4.7 Equity and reserves

Share capital is determined using the nominal value of shares that have been issued.

Accumulated losses include all current and prior year results as disclosed in the statement of changes in equity.

4.8 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company as a lessee

The Company makes the use of leasing arrangements principally for the provision of the land. The rental contract for land is for 30 years. The Company does not enter into sale and leaseback arrangements. All the leases are negotiated on an individual basis and contain a wide variety of different terms and conditions such as purchase options and escalation clauses.

For any new contracts entered into, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition, the Company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company;
- the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Company has the right to direct the use of the identified asset throughout the period of use the Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Notes

(forming part of the financial statements)

4 Material accounting policies (continued)

4.8 Leases

Measurement and recognition of leases as a lessee

At lease commencement date, the Company recognises right-of-use assets and lease liabilities on the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use assets, or profit or loss if the right-of-use asset are already reduced to zero.

On the statement of financial position, the right-of-use asset and lease liability are presented as a separate line item.

The Company as a lessor

As a lessor, the Company classifies its leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset, and classified as an operating lease if it does not.

4.9 Inventories

Inventories of the Company comprise of finished goods, raw materials, work in progress and packing materials and are stated at lower of cost or net realisable value. Cost of raw materials is determined on weighted average cost basis. Cost includes the expenditure incurred in acquiring the inventories and bringing them to the existing location and condition less of discounts and rebates. Cost of finished goods comprises of cost of material, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated selling expenses. Where necessary, provision is made for obsolete, slow moving and defective inventories.

Notes

(forming part of the financial statements)

4 Material accounting policies (continued)

4.10 Income tax

Income tax comprises of current tax and deferred tax. Income tax is recognized in the statement of profit or loss and other comprehensive income except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from tax authorities relating to the current or prior reporting period, that are unpaid at the reporting date.

Deferred income taxes are calculated using the liability method on temporary differences. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases.

In addition, tax losses available to be carried forward as well as other income tax credits are assessed for recognition as deferred tax assets.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the reporting date. Deferred tax liabilities are always provided for in full. Deferred tax assets are recognised to the extent that it is probable that they will be able to be offset against future taxable income.

4.11 Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost;
- fair value through profit or loss (FVTPL); and
- fair value through other comprehensive income (FVOCI).

In the periods presented, the Company does not have any financial assets categorised as FVOCI or FVTPL.

The classification is determined by both:

- the entity's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

Notes

(forming part of the financial statements)

4 Material accounting policies (continued)

4.11 Financial instruments

Business model assessment

The Company determines its business model at the level that best reflects how it manages group of financial assets to achieve its business objective. The Company's business model is not assessed on an instrument by instrument basis but at a higher level of aggregated portfolios and is based on a number of observable factors. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice;
- the risks that affect the performance of the business model and how those risks are managed; and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity.

Contractual cash flow characteristics test

The Company assesses whether the financial instruments' cash flows represent Solely Payments of Principal and Interest (the 'SPPI'). The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. The Company reclassifies a financial asset when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

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

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's financial asset measured at amortized cost are amounts due from related parties and cash and cash equivalents.

Impairment of financial assets

IFRS 9's impairment requirements use forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. Instruments within the scope of the impairment requirements of IFRS 9 included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses requires the Company to consider a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

Notes

(forming part of the financial statements)

4 Material accounting policies (continued)

4.11 Financial instruments (continued)

Impairment of financial assets (continued)

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1');
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2'); and

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Classification and subsequent measurement of financial liabilities

The Company's financial liabilities include trade and other payables, amount due to a related party and term loan from Parent Company which are measured at amortised cost.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in the statement of profit or loss and other comprehensive income under its line items 'finance costs' or 'finance income'.

4.12 Property, plant and equipment

Property, plant and equipment are initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Company. Property, plant and equipment are subsequently measured using the cost model, cost less accumulated depreciation and impairment losses.

The estimated useful lives are:

- | | |
|--------------------------|----------|
| • Buildings | 30 years |
| • Plant and machinery | 30 years |
| • Furniture and fixtures | 4 years |
| • Equipment and tools | 5 years |
| • Motor vehicles | 4 years |

Notes

(forming part of the financial statements)

4 Material accounting policies (continued)

4.12 Property, plant and equipment (continued)

In the case of right-of-use assets, expected useful life is determined by reference to comparable owned assets or the lease term, if shorter. Material residual value estimates and estimates of useful life are updated as required, but at least annually.

Material residual value estimates are updated as required, but at least annually, whether or not the asset is revalued.

An asset carrying amount is written down immediately to its recoverable amount if the assets carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount of the assets and are recognised within 'other income' or 'other expenses' in the statement of profit or loss and other comprehensive income.

4.13 Staff terminal benefits

The provision for staff terminal benefits is based upon the liability accrued in accordance with the terms of employment of the Company's employees at the reporting date, having regard to the requirements of the Oman Labour Law, 2003 and the Social Security Law, 1991.

Government of Oman Social Insurance Scheme (the Scheme)

The Company contributes to the Scheme for all Omani employees. The Scheme, which is a defined contributions retirement plan, is administered by the Government of Oman. The Company and Omani employees are required to make monthly contributions to the Scheme at applicable rates.

Non-Omani employee terminal benefits

The provision for end of service benefits for non-Omani employees is made in accordance with the requirements of the Oman Labour Law of 2023, as amended. Employees are entitled to end of service benefits calculated at the rate of 30 days basic salary for each year of continuous service. This is an unfunded defined benefits retirement plan. Accrued non-Omani staff terminal benefits are payable on termination of employment.

4.14 Provisions, contingent liabilities and contingent assets

Provisions are recognised when present obligations will probably lead to an outflow of economic resources from the Company and they can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate of management.

Notes

(forming part of the financial statements)

4 Material accounting policies (continued)

4.14 Provisions, contingent liabilities and contingent assets (continued)

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

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

Probable inflows of economic benefits to the Company that do not yet meet the recognition criteria of an asset are considered contingent assets.

4.15 Significant management judgement in applying accounting policies and estimation uncertainty

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Significant management judgments

During the year, there were no judgements made by management in applying the accounting policies of the Company that had a significant effect on the financial statements.

Estimation uncertainty

Information about estimates and assumptions that may have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting date. At 31 March 2024, management assesses that the useful lives represent the expected utility of the assets to the Company. The carrying amounts are analysed in Note 5 and Note 6.

Income tax

Uncertainties exist with respect to interpretation of the tax regulations and the amount of timing of future taxable income. Given the wide range of business relationship and nature of existing contractual agreements, differences arising between the actual result and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimate, for possible consequences of the finalisation of the tax assessment of the Company. The amount of such provision is based on various factors, such as experience of previous assessment and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Notes

(forming part of the financial statements)

4 Material accounting policies (continued)

4.15 Significant management judgement in applying accounting policies and estimation uncertainty (continued)

Leases – Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Inventories

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

5 Property, plant and equipment

	Buildings RO	Plant and machinery RO	Furniture and fixtures RO	Equipment and tools RO	Motor vehicles RO	Capital work in progress RO	Total RO
Cost:							
At 1 April 2023	2,371,164	6,092,189	183,586	79,871	86,059	697	8,813,566
Additions	22,112	110,116	7,969	15,003	-	-	155,200
At 31 March 2024	2,393,276	6,202,305	191,555	94,874	86,059	697	8,968,766
Accumulated depreciation:							
At 1 April 2023	1,991,922	5,188,417	174,959	68,001	79,754	-	7,503,053
Provided during the year	64,993	67,657	3,669	5,748	1,769	-	143,836
At 31 March 2024	2,056,915	5,256,074	178,628	73,749	81,523	-	7,646,889
Net book value:							
At 31 March 2024	336,361	946,231	12,927	21,125	4,536	697	1,321,877

	Buildings RO	Plant and machinery RO	Furniture and fixtures RO	Equipment and tools RO	Motor vehicles RO	Capital work in progress RO	Total RO
Cost:							
At 1 April 2022	2,364,993	5,970,799	177,209	70,182	78,984	4,324	8,666,491
Additions	6,171	121,390	6,377	6,062	7,075	-	147,075
Transfers	-	-	-	3,627	-	(3,627)	-
At 31 March 2023	2,371,164	6,092,189	183,586	79,871	86,059	697	8,813,566
Accumulated depreciation:							
At 1 April 2022	1,927,389	5,015,398	174,085	64,228	78,984	-	7,260,084
Provided during the year	64,533	173,019	874	3,773	770	-	242,969
At 31 March 2023	1,991,922	5,188,417	174,959	68,001	79,754	-	7,503,053
Net book value:							
At 31 March 2023	379,242	903,772	8,627	11,870	6,305	697	1,310,513

Notes

(forming part of the financial statements)

6 Leases

Right-of-use assets

Movement in right-of-use asset is as follows:

	31 March 2024 RO	31 March 2023 RO
As at 1 April	544,757	565,121
Less: depreciation during the year	(20,364)	(20,364)
As at 31 March	524,393	544,757

Lease liabilities

Lease liability is presented in the statement of financial position as follows:

	31 March 2024 RO	31 March 2023 RO
Lease liability	627,759	620,844

The Company has a lease for land. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the statement of financial position as a right-of-use asset and a lease liability.

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right-of-use asset can only be used by the Company. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. The Company is prohibited from selling or pledging the underlying leased assets as security.

As per IFRS 16, interest rate implicit in the lease should be used to discount present value of lease payments. In absence of implicit rate, the Company's incremental borrowing rate is used.

The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognised on statement of financial position:

Right-of-use asset	No. of right-of-use asset leased	Range of remaining term	No. of leases with extension Options	No. of leases with options to purchase	No. of leases With variable payments linked to an index	No. of leases with termination Options
Land	1	26 years	1	0	0	0

	31 March 2024 RO	31 March 2023 RO
At 1 April	620,844	614,162
Interest on lease liability (Note 20)	21,600	21,367
Payment during the year	(14,685)	(14,685)
At 31 March	627,759	620,844

Minimum lease payments	Within 1 year RO	2-5 years RO	After 5 years RO	Total RO
31 March 2024				
Lease payments	18,358	117,488	865,355	1,001,201
Finance charges	(21,715)	(85,931)	(265,796)	(373,442)
Net present values	(3,357)	31,557	599,559	627,759

Notes

(forming part of the financial statements)

6 Leases (continued)

Lease liabilities (continued)

	Within 1 year RO	2-5 years RO	After 5 years RO	Total RO
Minimum lease payments				
31 March 2023				
Lease payments	14,685	117,488	872,698	1,004,871
Finance charges	(21,600)	(85,213)	(277,214)	(384,027)
Net present values	(6,915)	32,275	595,484	620,844

7 Inventories

	31 March 2024 RO	31 March 2023 RO
Raw material	585,460	578,593
Spare parts and consumables	208,559	196,020
Finished goods and work-in-progress	221,740	198,974
Packing materials	381,274	418,303
	1,397,033	1,391,890
Less: provision for slow moving and obsolete inventories (Note 7.1)	(123,232)	(43,857)
	1,273,801	1,348,033

7.1 Movement in the provision for slow moving and obsolete inventories

	31 March 2024 RO	31 March 2023 RO
Opening balance	43,857	23,020
Charge during the year	79,375	50,000
Written off during the year	-	(29,163)
	123,232	43,857

8 Other receivables

	31 March 2024 RO	31 March 2023 RO
Non-financial assets:		
Prepayments and deposits	283,914	346,140
Advance to suppliers	113,809	54,993
Staff advances	25,214	18,832
Other receivables	53,291	50,553
	476,228	470,518

All amounts are short-term. The net carrying value of other receivables is considered a reasonable approximation of fair value.

9 Cash and cash equivalents

	31 March 2024 RO	31 March 2023 RO
Cash at bank	256,998	343,996
Cash in hand	2,895	3,604
	259,893	347,600

There are no restrictions on cash at banks at the time of approval of the financial statements.

Notes

(forming part of the financial statements)

10 Share capital

	31 March 2024 RO	31 March 2023 RO
2,000,000 fully paid up shares of RO 1 each	2,000,000	2,000,000

The Shareholder of the Company who owns 10% or more of the Company's shares and the number of shares they held as at 31 March 2024 and 2023 are as follows:

	Number of shares	% Holding	RO
Britannia and Associates (Dubai) Pvt Company Limited	1,309,280	65.46%	1,309,280

11 Legal reserve

In accordance with the Article 132 of the Commercial Companies Law of the Sultanate of Oman, 2019, annual appropriations of 10% of the profit for the year are made to this reserve until the accumulated balance of the reserve is equal to one-third of the value of the Company's paid-up share capital. This reserve is not available for distribution to the Shareholders. During the year, RO 38,080 has been transferred to the legal reserve (2023: RO 38,157).

12 Staff terminal benefits

	31 March 2024 RO	31 March 2023 RO
At 1 April	316,495	281,844
Provided during the year	99,105	47,939
Less paid during the year	(12,017)	(13,288)
At 31 March	403,583	316,495

13 Related party transactions and balances

A party is considered to be related to the Company if the party has the ability, directly or indirectly, to exercise significant influence in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or significant influence.

Related parties of the Company include entities over which the Company exercises significant influence, major shareholders, directors and executive management of the Company.

13.1 Transactions with related parties

The Company in the normal course of operation carries on transactions with business enterprises that fall within the definition of a related party.

The details of related party transactions are as follows:

	Year ended 31 March 2024 RO	Year end 31 March 2023 RO
Sales (Note 15)	9,576,830	11,130,740
Purchases	23,239	4,024
Interest on term loan from Parent Company (Note 20)	240,336	113,781
Selling and distribution expenses charged to related party	94,324	112,874
Purchases of service (Software)	5,341	-
Sales of raw materials	3,157	7,814

Notes

(forming part of the financial statements)

13 Related party transactions and balances (continued)

13.2 Balances with related parties

	31 March 2024 RO	31 March 2023 RO
Amounts due from related parties:		
Britannia Industries Limited, India	66,737	80,742
Khimji Ramdas LLC, Oman	185,778	178,117
Kenafric biscuits Limited, Kenya	498	-
	253,013	258,859

	31 March 2024 RO	31 March 2023 RO
Amount due to a related party:		
Strategic Foods International Company LLC (SFIC), UAE	384,708	448,477
	384,708	448,477

The amounts due from/to related parties are unsecured, bear no interest and have no fixed repayment terms.

13.3 Term loan from Parent Company

	31 March 2024 RO	31 March 2023 RO
Britannia and Associates (Dubai) PVT Company Limited	1,156,200	1,925,200

Term loan is from a related party, Britannia and Associates (Dubai) PVT Company Limited ("BADCO"), and it is not repayable in the next 12 months. This facility carries an interest at the rate of 12 months SOFR +0.75% per annum.

14 Trade and other payables

	31 March 2024 RO	31 March 2023 RO
Financial liabilities:		
Trade payables	1,343,538	1,190,037
Accrued expenses	518,537	600,783
Other payables	245,508	129,869
	2,107,583	1,920,689

All amounts are short-term. The carrying values of trade and other payables are considered to be a reasonable approximation of fair values.

15 Revenue

	Year ended 31 March 2024 RO	Year ended 31 March 2023 RO
Sale of biscuits and cookies – recognised at point in time	10,759,879	11,150,313

90 % (2023: 99 %) of the Company's sales are to a related party, Strategic Foods International Company LLC (SFIC), based in the UAE.

Notes

(forming part of the financial statements)

16 Costs of revenue

	Year ended 31 March 2024 RO	Year ended 31 March 2023 RO
Cost of materials consumed	6,547,340	7,016,349
Salaries and related costs	1,778,704	1,650,245
Depreciation of property, plant and equipment (Note 5)	143,836	242,969
Depreciation of right-of-use asset (Note 6)	20,364	20,364
Other direct costs	332,960	348,202
	8,823,204	9,278,129

17 General and administrative expenses

	Year ended 31 March 2024 RO	Year ended 31 March 2023 RO
Salaries and related costs	564,055	531,264
Utilities expenses	49,944	49,453
Printing and stationery expenses	16,204	17,095
Vehicle maintenance expenses	16,912	13,265
Miscellaneous expenses	47,210	45,409
	694,325	656,486

18 Selling and distribution expenses

	Year ended 31 March 2024 RO	Year ended 31 March 2023 RO
Freight charges	312,561	357,257
Advertising and sales promotion	314,471	265,450
Travelling expenses	78	690
	627,110	623,397

19 Other operating expenses

	Year ended 31 March 2024 RO	Year ended 31 March 2023 RO
Lab expenses	23,628	28,483
Repair and maintenance charges	20,545	28,197
Legal and professional charges	24,945	24,532
Insurance expenses	995	1,650
	70,113	82,862

20 Finance costs

	Year ended 31 March 2024 RO	Year ended 31 March 2023 RO
Interest on term loan from Parent Company (Note 13.1)	145,519	113,781
Interest on lease liability (Note 6)	21,600	21,367
Bank charges	9,530	12,907
	176,649	148,055

21 Income tax

(a) Recognised in the statement of profit or loss and other comprehensive income and the statement of financial position

The Company is subject to income tax at the rate of 15% of the taxable income in accordance with the Income Tax Law of the Sultanate of Oman (2023: 15%).

Notes

(forming part of the financial statements)

21 Income tax (continued)

b) Reconciliation of income tax expense

	Year ended 31 March 2024 RO	Year ended 31 March 2023 RO
Profit before income tax	380,797	381,566
Add:		
Depreciation of property, plant and equipment (Note 5)	143,836	242,969
Depreciation on rights-of-use assets (Note 6)	20,364	20,364
Provision for slow moving and obsolete inventories (Note 7.1)	79,375	50,000
Interest on lease liability (Note 6)	21,600	21,367
Other disallowed expenses	2,173	6,922
	648,145	717,044
Deduct:		
Tax depreciation	(114,506)	(182,550)
Rent concession income	-	(2,574)
Lease rental paid during the year (Note 6)	(14,685)	(11,193)
Taxable profit	518,954	496,787
Unused tax losses utilised	(518,954)	(496,787)
Tax base	-	-
Tax rate	15%	15%
Income tax expense	-	-

c) Available unused tax losses

	31 March 2024 RO	31 March 2023 RO
Unused tax losses brought forward	4,093,460	3,024,492
Adjustments as per the Assessments by TA and TGC	-	1,565,755
Unused tax losses lapsed in 2024 (Tax year 2019)	(57,142)	-
Unused tax loss utilised	(518,954)	(496,787)
Unused tax losses c/f	3,517,364	4,093,460

d) Deferred tax assets/(liability)

	1 April 2023 RO	Recognised in profit or loss RO	31 March 2024 RO
Deferred tax (liability)/asset:			
Property, plant and equipment	(118,394)	4,399	(113,995)
Provision for inventories	6,579	11,906	18,485
Right of use asset and finance lease liabilities	13,202	2,301	15,503
Losses expected to be utilized in future	98,613	(18,606)	80,007
Deferred tax (liability)/asset	-	-	-

	1 April 2022 RO	Recognised in profit or loss RO	31 March 2023 RO
Deferred tax (liability)/asset:			
Property, plant and equipment	(127,556)	9,162	(118,394)
Provision for inventories	3,453	3,126	6,579
Right of use asset and finance lease liabilities	9,008	4,194	13,202
Losses expected to be utilized in future	115,095	(16,482)	98,613
Deferred tax liability/asset	-	-	-

Deferred tax asset has been recognized in these financial Statements to the extent of the deferred tax liability recognised as the Management believes that there is uncertainty regarding future taxable profits of the Company for the timing difference to reverse.

Notes

(forming part of the financial statements)

21 Income tax (continued)

e) Current status of tax assessments

The Company's taxation assessments have been finalised with the Secretariat General for Taxation up to 2021. The Company had filed a Grievance for the tax years 2012 to 2015 which has been finalized by the Tax Grievance Committee ("TGC") in favor of the Company by allowing a relief of 5% of cost of sales and 10% general and administration expenses which were disallowed by the TA in the assessment/objection proceedings. At the end of the reporting date, the management considers that the amount of additional taxes, if any, that may become payable on finalisation of the unassessed tax years would not be material to the Company's financial position.

22 Financial instrument risk

Risk management objectives and policies

The Company is exposed to various risks in relation to financial instruments. The main types of risks are market risk, credit risk and liquidity risk.

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Company is exposed to are described below.

22.1 Market risk analysis

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

The Company does not have any financial instrument which is exposed to market risk.

Foreign currency sensitivity

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Company operates in international markets and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United Arab Emirates Dirham. The rate of exchange between the Rial Omani and the AED are pegged.

Interest rate sensitivity

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Company is not exposed interest rate risk as it does not have any financial instrument subject to variable interest rate.

22.2 Credit risk analysis

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk from financial assets including cash held at bank and amounts due from related parties.

The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised as at 31 March 2024 as summarised below:

	31 March 2024 RO	31 March 2023 RO
Cash at bank	256,998	343,996
Amounts due from related parties	253,013	258,859
	510,011	602,855

Notes

(forming part of the financial statements)

22 Financial instrument risk (continued)

Risk management objectives and policies (continued)

22.2 Credit risk analysis (continued)

Impairment of financial assets

The Company has following types of financial asset that are subject to the expected credit loss model:

- Amounts due from related parties; and
- Cash at bank.

Expected credit loss on amounts due from related parties

The Company applies IFRS 9 general approach to measure expected credit losses which uses 3 stage model to recognise expected credit loss depending upon the credit risk of the counter party.

To measure the expected credit loss, the Company assess the probability of default by the counter as a result of default event that are possible within 12 months after reporting date. The Company also assess the financial position of the counter party if it has sufficient liquid asset to pay off the balance if repayment is made on demand. In addition, the Company also determines the loss given default of the amounts due from related parties.

Amounts due from related parties are neither past due nor impaired and are estimated as collectible based on historical experience. There has been no impairment assessed on amounts due from related parties and accordingly no allowance for credit losses against these dues has been considered necessary.

Credit risk on cash at bank

Cash at bank is subject to the impairment requirements of IFRS 9, the Company applies general approach and use the credit ratings of reputed agency to determine the expected credit loss. The identified impairment loss was immaterial.

22.3 Liquidity risk analysis

Liquidity risk also referred to as funding risk, is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company's maximum exposure to liquidity risks is limited to the carrying amount of financial liabilities recognised at the reporting date, as summarised below:

	31 March 2024 RO	31 March 2023 RO
Term loan from Parent Company	1,156,200	1,925,200
Trade and other payables	2,107,583	1,920,689
Amount due to a related party	384,708	448,477
	3,648,491	4,294,366

This maturity of the Company's undiscounted financial liabilities as at 31 March 2024 are as follows:

	Within 1 year RO	Later than 1 year RO	Total RO
Term loan from Parent Company	-	1,156,200	1,156,200
Trade payables	1,343,538	-	1,343,538
Amount due to a related party	384,708	-	384,708
Accrued expenses	518,537	-	518,537
Other payables	245,508	-	245,508
	2,492,291	1,156,200	3,648,491

Notes

(forming part of the financial statements)

22 Financial instrument risk (continued)

Risk management objectives and policies (continued)

22.3 Liquidity risk analysis (continued)

This compares to the maturity of the Company's undiscounted financial liabilities in the previous reporting period as follows:

	Within 1 year RO	Later than 1 year RO	Total RO
Term loan from Parent Company	-	1,925,200	1,925,200
Trade payables	1,190,037	-	1,190,037
Amounts due to a related party	448,477	-	448,477
Accrued expenses	600,783	-	600,783
Other payables	129,869	-	129,869
	2,369,166	1,925,200	4,294,366

Liquidity requirements are monitored on a regular basis and management ensures that sufficient funds are available to meet any future commitments.

23 Commitments and contingent liabilities

23.1 Contingent Liabilities

At the end of the reporting period, the Company had contingent liabilities in respect of bank guarantee amounting to RO 50,000 (2023: RO 50,000).

23.2 Commitments

There are no commitments as at 31 March 2024 (2023: Nil).

24 Capital management policies and procedures

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern; and
- to provide an adequate return to the Shareholders by pricing services commensurately with the level of risk.

The Company manages its capital structure and makes adjustments to it in light of changes in business conditions.