

The National Detergent Co. SAOG

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2024

Principal place of business:

Registered office

P.O. Box 3104, Ruwi, Postal Code 112
Sultanate of Oman

Corporate Office and Logistic Unit

Way No. 3605, Al Ghubrah,
Sultanate of Oman

Sohar Detergent Powder Unit

Road No. 5, Phase 1, Sohar Industrial Estate,
Sultanate of Oman

Sulphonation Unit

Way No. 6421, Ghala Industrial Estate,
Sultanate of Oman

Soap Unit

Road No. 13, Rusayl Industrial Estate,
Sultanate of Oman

Sohar Liquid Unit

Phase No. 5, Sohar Industrial Estate,
Sultanate of Oman

AquaPetro Chemicals Unit

Road No. 2, Rusayl Industrial Estate,
Sultanate of Oman

THE NATIONAL DETERGENT CO. SAOG

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2024

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The National Detergent Co. SAOG

UNAUDITED SUMMARY OF PERFORMANCE

For the period ended 31 March 2024

	Three months period ended 31 Mar 2024	Three months period ended 31 March 2023
	RO	RO
Gross profit	2,275,732	1,634,245
Net profit after tax	394,791	151,013
Net assets per share	Bzs 830	Bzs 810
Basic earnings per share	Bzs 20	Bzs 8

The National Detergent Co. SAOG

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 31 March 2024

	Note	Three months period ended 31 Mar 2024 RO	Three months period ended 31 March 2023 RO
Revenue	2	6,445,697	5,600,752
Cost of sales	3	<u>(4,169,965)</u>	<u>(3,966,507)</u>
Gross profit		2,275,732	1,634,245
Selling and distribution expenses	4	<u>(1,331,459)</u>	(1,020,501)
Administrative and general expenses	5	<u>(412,938)</u>	(355,433)
Other operating income		<u>5,113</u>	4,674
Profit from operations		536,448	262,985
Finance costs	7	<u>(71,988)</u>	<u>(85,323)</u>
Profit before tax		464,460	177,662
Taxation	8	<u>(69,669)</u>	<u>(26,649)</u>
Net profit for the period		<u>394,791</u>	<u>151,013</u>
Basic earnings per share	9	Bzs 20	Bzs 8



The attached notes 1 to 26 form part of these financial statements.

The National Detergent Co. SAOG

UNAUDITED STATEMENT OF FINANCIAL POSITION

At 31 March 2024

	Note	31 March 2024 RO	31 March 2023 RO	Audited 31 December 2023 RO
Assets				
Non-current assets				
Property, plant and equipment	10	16,983,184	17,360,887	17,068,674
Lease Assets	10	<u>1,050,058</u>	<u>1,130,268</u>	<u>1,094,617</u>
Total non-current assets		<u>18,033,242</u>	<u>18,491,155</u>	<u>18,163,291</u>
Current assets				
Inventories	11	4,058,820	3,536,733	3,553,181
Trade and other receivables	12	7,446,280	7,160,537	7,319,741
Cash and cash equivalents	13	<u>903,869</u>	<u>746,894</u>	<u>1,322,204</u>
Total current assets		<u>12,408,969</u>	<u>11,444,164</u>	<u>12,195,126</u>
Total assets		<u>30,442,211</u>	<u>29,935,319</u>	<u>30,358,417</u>
Equity				
Share capital	14	2,000,000	2,000,000	2,000,000
Share premium	14	364,263	364,263	364,263
Legal reserve	16	632,835	567,083	632,835
Revaluation reserve	17	10,892,250	10,892,250	10,892,250
Retained earnings		<u>2,719,244</u>	<u>2,383,699</u>	<u>2,824,453</u>
Total equity		<u>16,608,592</u>	<u>16,207,295</u>	<u>16,713,801</u>
Liabilities				
Non-current liabilities				
Lease liabilities		1,001,286	1,055,389	1,008,486
Deferred taxation	19	1,990,924	2,083,699	2,013,329
Employees' end of service benefits	18	<u>830,316</u>	<u>654,532</u>	<u>783,391</u>
Total non-current liabilities		<u>3,822,526</u>	<u>3,793,620</u>	<u>3,805,206</u>
Current liabilities				
Current portion of lease liabilities		133,098	133,098	160,808
Short term bank borrowings	18	2,497,016	4,260,721	2,981,260
Trade and other payables	21	7,288,905	5,470,849	6,490,930
Taxation	8	<u>92,074</u>	<u>69,736</u>	<u>206,412</u>
Total current liabilities		<u>10,011,093</u>	<u>9,934,404</u>	<u>9,839,410</u>
Total liabilities		<u>13,833,619</u>	<u>13,728,024</u>	<u>13,644,616</u>
Total equity and liabilities		<u>30,442,211</u>	<u>29,935,319</u>	<u>30,358,417</u>
Net assets per share	22	Bzs 830	Bzs 810	Bzs 836

The financial statements were approved by the Board of Directors on 24 April 2024 and were signed on their behalf by:


Mohamed Abdul Hussain Baqer Al Lawati
 Chairman


Murali Sundar
 Chief Executive Officer

The attached notes 1 to 26 form part of these financial statements.

The National Detergent Co. SAOG

UNAUDITED STATEMENT OF CHANGES IN EQUITY

At 31 March 2024

	Share Capital RO	Share Premium RO	Legal Reserve RO	Revaluation Reserve RO	Retained Earnings RO	Total RO
At 1 January 2023	2,000,000	364,263	567,083	10,892,250	2,232,686	16,056,282
Income for the year	-	-	-	-	657,519	657,519
Transfer to legal reserve	-	-	65,752	-	(65,752)	-
At 31 December 2023	<u>2,000,000</u>	<u>364,263</u>	<u>632,835</u>	<u>10,892,250</u>	<u>2,824,453</u>	<u>16,713,801</u>
At 1 January 2024	2,000,000	364,263	632,835	10,892,250	2,824,453	16,713,801
Profit for the period	-	-	-	-	394,791	394,791
Transaction with owners:						
Dividend paid	-	-	-	-	(500,000)	(500,000)
At 31 March 2024	<u>2,000,000</u>	<u>364,263</u>	<u>632,835</u>	<u>10,892,250</u>	<u>2,719,244</u>	<u>16,608,592</u>

The attached notes 1 to 26 form part of these financial statements.

The National Detergent Co. SAOG

UNAUDITED STATEMENT OF CASH FLOWS

For the period ended 31 March 2024

	31 March 2024 RO	31 March 2023 RO	Audited 31 December 2023 RO
Operating activities			
(Loss) / profit before tax	464,460	177,662	771,709
Adjustment for:			
Depreciation and amortization	201,242	196,681	842,583
Gain on disposal of property, plant and equipment	(381)	-	(1,543)
Finance cost	71,988	84,979	300,090
Employees' end of services benefits	56,266	36,738	176,185
Operating profit before changes in working capital	793,575	496,060	2,089,024
Working capital changes:			
Inventories	(505,639)	729,253	712,805
Trade and other receivables	(126,539)	(893,604)	(1,052,418)
Trade and other payables	797,974	(350,017)	670,064
Cash flows (used in)/from operating activities	959,371	(18,308)	2,419,475
Payment of end of service benefits	(9,341)	(10,875)	(20,733)
Tax paid	(206,412)	-	(21,235)
Net cash flows (used in) from operating activities	743,618	(29,183)	2,377,507
Investing activities			
Acquisitions of property, plant and equipment	(71,192)	(44,899)	(259,054)
Proceeds from disposal on property, plant and equipment	381	-	1,543
Net cash flows used in investing activities	(70,811)	(44,899)	(257,511)
Financing activities			
Short term loans	(484,244)	-	(1,018,740)
Lease liabilities	(51,982)	(44,584)	(223,922)
Dividend paid	(500,000)	-	-
Interest paid	(54,916)	(67,368)	(227,337)
Net cash flows from financing activities	(1,091,142)	(111,952)	(1,469,999)
Net change in cash and cash equivalents	(418,335)	(186,034)	649,997
Cash and cash equivalents at the beginning of the year	1,322,204	672,207	672,207
Cash and cash equivalents at the end of the period	903,869	486,173	1,322,204
Cash and cash equivalent comprise:			
Cash at bank and in hand	903,869	746,894	1,322,204
Bank borrowings – overdraft	-	(260,721)	-
	<u>903,869</u>	<u>486,173</u>	<u>1,322,204</u>

The attached notes 1 to 26 form part of these financial statements.

UNAUDITED NOTES TO THE FINANCIAL STATEMENTS

At 31 March 2024

1 Legal status and principal activities

The National Detergent Company SAOG, an Omani Joint Stock Company ('the Company'), was constituted in accordance with the Commercial Companies Law of Oman 1974, and Ministerial Decree number 78/1980 dated 3 November 1980. The principal activity of the company is manufacture and sale of detergents, liquid soaps and home care products.

2 Segment information

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions.

The Board considers the business from a divisional perspective. Divisionally, management considers the performance of Consumer division and other division.

The reportable operating segments derive their revenue primarily from the manufacture and sale of detergents, liquid soap and homecare products. The directors review monthly analysis of production and sales by volume, sales, collections, cost of sales and factory cost by value, variance with budgets, financial position, and working capital facilities with utilisation status; raw materials and debtors on an overall Company basis.

The following divisional analysis has been compiled based on the major division of the Company:

Mar 2024	Consumer division	Other division	Total
	RO	RO	RO
Revenue	6,139,210	306,487	6,445,697
Cost of sales	(3,827,905)	(342,060)	(4,169,965)
Total overheads	(1,733,016)	(11,381)	(1,744,397)
Other Income	<u>5,113</u>	<u>-</u>	<u>5,113</u>
Profit from operations	583,402	(46,954)	536,448
Finance costs- net	<u>(68,595)</u>	<u>(3,393)</u>	<u>(71,988)</u>
(Loss)/Profit before tax	<u>514,807</u>	<u>(50,347)</u>	<u>464,460</u>
Taxation	-	-	<u>(69,669)</u>
Profit for the year	-	-	<u>394,791</u>
Other financial information			
Trade receivables	<u>7,609,006</u>	<u>302,112</u>	<u>7,911,118</u>
Plant, property and equipment addition	<u>68,473</u>	<u>2,719</u>	<u>71,192</u>

UNAUDITED NOTES TO THE FINANCIAL STATEMENTS

At 31 March 2024

2 Segment information (continued)

Mar 2023	Consumer division RO	Other division RO	Total RO
Revenue	5,389,449	211,303	5,600,752
Cost of sales	(3,774,994)	(191,513)	(3,966,507)
Total overheads	(1,361,059)	(14,875)	(1,375,934)
Other Income	<u>4,674</u>	-	<u>4,674</u>
Profit from operations	258,070	4,915	262,985
Finance costs- net	<u>(78,881)</u>	<u>(6,442)</u>	<u>(85,323)</u>
(Loss)/Profit before tax	<u>179,189</u>	<u>(1,527)</u>	<u>177,662</u>
Taxation	-	-	<u>(26,649)</u>
Profit for the year	-	-	<u>151,013</u>
Other financial information			
Trade receivables	<u>7,100,511</u>	<u>382,611</u>	<u>7,483,122</u>
Plant, property and equipment addition	<u>46,019</u>	-	<u>46,019</u>

UNAUDITED NOTES TO THE FINANCIAL STATEMENTS

At 31 March 2024

3 Cost of sales

	Three months period ended 31 Mar 2024	Three months period ended 31 March 2023
	RO	RO
Materials consumed	2,894,944	2,909,273
Direct labour (note 6)	570,319	463,971
Freight and handling charges	305,700	243,026
Utilities	114,860	98,123
Other direct costs	60,336	54,553
Repairs and maintenance	70,491	38,114
Depreciation (note 10)	131,947	138,079
Depreciation on right of use asset	<u>21,368</u>	<u>21,368</u>
	<u>4,169,965</u>	<u>3,966,507</u>

4 Selling and distribution expenses

	Three months period ended 31 Mar 2024	Three months period ended 31 March 2023
	RO	RO
Sales promotion and advertisement	931,170	654,009
Employee related expenses (note 6)	255,489	221,252
Distribution Expenses	47,754	69,168
Depreciation on right of use asset	23,191	16,468
Selling expenses	<u>73,855</u>	<u>59,604</u>
	<u>1,331,459</u>	<u>1,020,501</u>

5 Administrative and general expenses

	Three months period ended 31 Mar 2024	Three months period ended 31 March 2023
	RO	RO
Employee related costs (note 6)	246,650	216,688
Allowance for expected credit losses	30,000	30,000
Depreciation (note 10)	24,737	20,768
Repairs expenses	23,569	21,161
Printing stationery and telephone expenses	12,014	10,725
Other expenses	23,489	18,217
Professional charges	30,129	16,563
Travelling conveyance	6,750	3,821
Directors' sitting fees (note 25)	<u>15,600</u>	<u>17,490</u>
	<u>412,938</u>	<u>355,433</u>

6 Employee related costs

Employee related costs included under cost of sales, selling and distribution expenses and administrative expenses:

	Three months period ended 31 Mar 2024	Three months period ended 31 March 2023
	RO	RO
Wages and salaries	781,465	691,165
Other benefits	205,342	166,134
End of service benefits (note 20)	56,266	36,738
Training and recruitment expenses	<u>29,384</u>	<u>7,874</u>
	<u>1,072,458</u>	<u>901,911</u>

UNAUDITED NOTES TO THE FINANCIAL STATEMENTS

At 31 March 2024

7 Financial cost

	Three months period ended 31 Mar 2024	Three months period ended 31 March 2023
	RO	RO
Finance cost		
Interest on short term borrowings	56,105	67,368
Interest on right of use asset	17,072	17,611
Foreign exchange difference (gain)/loss	<u>(1,188)</u>	<u>344</u>
	<u>71,989</u>	<u>85,323</u>

8 Taxation

(a) The tax (charge) for the year comprises:

	Three months period ended 31 Mar 2024	Three months period ended 31 March 2023
	RO	RO
Current tax	92,074	45,430
Deferred Tax Current year	<u>(22,405)</u>	<u>(18,781)</u>
	<u>69,669</u>	<u>26,649</u>

(b) The reconciliation of tax on the accounting profit at the applicable rate of 15% with the taxation charge in the statement of comprehensive income is as follows:

	Three months period ended 31 Mar 2024	Three months period ended 31 March 2023
Tax on accounting profit of RO 464,460 (2023 - profit RO 177,662)	69,669	26,649
Expenses not allowed	<u>-</u>	<u>-</u>
Tax charge for the period in the statement of comprehensive income	<u>69,669</u>	<u>26,649</u>

(c) Taxation has been agreed with the Oman Taxation Authorities for all years up to 2019.

9 Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	Three months period ended 31 Mar 2024	Three months period ended 31 March 2023
	RO	RO
Net profit/(loss) attributable to shareholders (RO)	<u>394,791</u>	<u>151,013</u>
Number of shares outstanding (note 14)	<u>20,000,000</u>	<u>20,000,000</u>
Earnings per share (Bz)	<u>20</u>	<u>8</u>

The diluted earnings per share is identical to the basic earnings per share.

UNAUDITED NOTES TO THE FINANCIAL STATEMENTS

At 31 March 2024

10 Property, plant and equipment

	Land RO	Buildings RO	Plant & machinery RO	Furniture, fixtures & office equipment RO	Motor vehicles RO	Capital work in progress RO	Total RO
Cost/valuation							
At 1 January 2024	13,500,000	4,415,533	8,307,374	799,425	135,034	13,157	27,170,523
Transfer CWIP/Assets	-	-	13,157	-	-	(13,157)	-
Additions	-	1,750	54,569	12,759	-	2,114	71,192
Disposal	-	-	(10,145)	-	-	-	(10,145)
At 31 Mar 2024	13,500,000	4,417,283	8,364,955	812,184	135,034	2,114	27,231,570
Comprising :							
At cost	685,589	4,417,283	8,364,955	812,184	135,034	2,114	14,417,159
At valuation	12,814,411	-	-	-	-	-	12,814,411
	13,500,000	4,417,283	8,364,955	812,184	135,034	2,114	27,231,570
Depreciation							
At 1 January 2024	-	3,150,467	6,133,068	704,928	113,384	-	10,101,847
Charge for the year :	-	44,048	94,984	16,105	1,547	-	156,684
Disposal	-	-	(10,145)	-	-	-	(10,145)
At 31 Mar 2024	-	3,194,515	6,217,907	721,033	114,931	-	10,248,386
Net Book Value							
At 31 Mar 2024	13,500,000	1,222,768	2,147,048	91,151	20,103	2,114	16,983,184

	Land RO	Buildings RO	Plant & machinery RO	Furniture, fixtures & office equipment RO	Motor vehicles RO	Capital work in progress RO	Total RO
Cost/valuation							
At 1 January 2023	13,500,000	4,405,809	8,257,111	736,257	110,272	19,089	27,028,538
Transfer CWIP/Assets	-	-	-	-	-	-	-
Additions	-	9,724	23,205	8,543	-	4,547	46,019
Disposal	-	-	-	-	-	-	-
At 31 Mar 2023	13,500,000	4,415,533	8,280,316	744,800	110,272	23,636	27,074,557
Depreciation							
At 1 January 2023	-	2,950,862	5,844,886	650,061	109,016	-	9,554,825
Charge for the year :	-	49,726	95,420	13,115	584	-	158,845
Disposal	-	-	-	-	-	-	-
At 31 Mar 2023	-	3,000,588	5,940,306	663,176	109,600	-	9,713,670
Net Book Value							
At 31 Mar 2023	13,500,000	1,414,945	2,340,010	81,624	672	23,636	17,360,887

THE NATIONAL DETERGENT CO. SAOG

UNAUDITED NOTES TO THE FINANCIAL STATEMENTS

At 31 March 2024

10 Property, plant and equipment (continued)

	Land	Buildings	Plant & machinery	Furniture, fixtures & office equipment	Motor vehicles	Capital work in progress	Total
	RO	RO	RO	RO	RO	RO	RO
Cost/valuation							
At 1 January 2023	13,500,000	4,405,809	8,257,111	736,257	110,272	19,089	27,028,538
Transfer	-	-	19,089	-	-	(19,089)	-
Additions	-	9,724	147,509	63,903	24,761	13,157	259,054
Disposal	-	-	(116,335)	(735)	-	-	(117,070)
At 31 December 2023	<u>13,500,000</u>	<u>4,415,533</u>	<u>8,307,374</u>	<u>799,425</u>	<u>135,033</u>	<u>13,157</u>	<u>27,170,522</u>
Depreciation							
At 1 January 2023	-	2,950,862	5,844,886	650,061	109,016	--	9,554,825
Charge for the year :							
Charge for the year	-	199,605	404,517	55,602	4,369	--	664,093
Disposal	-	-	(116,335)	(735)	-	-	(117,070)
At 31 December 2023	<u>-</u>	<u>3,150,467</u>	<u>6,133,068</u>	<u>704,928</u>	<u>113,385</u>	<u>-</u>	<u>10,101,848</u>
Net Book Value							
At 31 December 2023	<u>13,500,000</u>	<u>1,265,066</u>	<u>2,174,306</u>	<u>94,497</u>	<u>21,648</u>	<u>13,157</u>	<u>17,068,674</u>

10.1 Leases

The balance sheet shows the following amounts relating to leases.

	31 March 2024	31 March 2023	Audited 31 December 2023
	RO	RO	RO
Right of use of assets			
Land	874,467	959,938	895,835
Vehicles	175,591	170,330	198,782
	<u>1,050,058</u>	<u>1,130,268</u>	<u>1,094,617</u>
Lease liabilities			
Current	133,098	133,098	160,808
Non-current	1,001,286	1,055,389	1,008,486
	<u>1,134,384</u>	<u>1,188,487</u>	<u>1,169,294</u>

THE NATIONAL DETERGENT CO. SAOG

UNAUDITED NOTES TO THE FINANCIAL STATEMENTS

At 31 March 2024

11 Inventories

	31 March 2024 RO	31 March 2023 RO	Audited 31 December 2023 RO
Raw and packaging materials	2,440,704	1,962,892	2,041,973
Finished goods	1,129,125	1,182,039	1,181,944
Consumables and spares	164,328	135,791	143,735
Work in progress	29,969	13,075	13,112
Goods in transit	<u>476,572</u>	<u>354,518</u>	<u>314,295</u>
	4,240,698	3,648,315	3,695,059
Less: Provision for slow moving inventories	<u>(181,878)</u>	<u>(111,582)</u>	<u>(141,878)</u>
	<u>4,058,820</u>	<u>3,536,733</u>	<u>3,553,181</u>

(a) The movement in provision for slow moving and obsolete stock is given below:

	31 March 2024 RO	31 March 2023 RO	Audited 31 December 2023 RO
Opening balance	141,878	108,582	108,582
Provision for the period	40,000	3,000	60,497
Write off during the period	-	-	<u>(27,201)</u>
Closing balance	<u>181,878</u>	<u>111,582</u>	<u>141,878</u>

12 Trade and other receivables

	31 March 2024 RO	31 March 2023 RO	Audited 31 December 2023 RO
Trade receivable	7,911,119	7,483,122	8,019,775
Less: provision for impairment losses on receivables	<u>(938,116)</u>	<u>(703,202)</u>	<u>(908,116)</u>
	6,973,003	6,779,920	7,111,659
Other receivables	261,583	178,512	178,880
Prepayments	211,311	201,576	28,824
Due from related parties (note 25)	<u>383</u>	<u>529</u>	<u>378</u>
	<u>7,446,280</u>	<u>7,160,537</u>	<u>7,319,741</u>

(a) Movement in the provision for impairment is as follows:

	31 March 2024 RO	31 March 2023 RO	Audited 31 December 2023 RO
Opening balance	908,116	673,202	673,202
Provision for the year	30,000	30,000	237,913
Write off during the year	-	-	<u>(2,999)</u>
Closing balance	<u>938,116</u>	<u>703,202</u>	<u>908,116</u>

THE NATIONAL DETERGENT CO. SAOG

UNAUDITED NOTES TO THE FINANCIAL STATEMENTS

At 31 March 2024

13 Cash and bank balances

	31 March 2024 RO	31 March 2023 RO	Audited 31 December 2023 RO
Cash at bank	895,177	736,249	1,315,176
Cash in hand	<u>8,692</u>	<u>10,645</u>	<u>7,028</u>
	<u>903,869</u>	<u>746,894</u>	<u>1,322,204</u>

14 Share capital

(a) The Company's authorised, issued, and subscribed share capital comprises 20,000,000 (31 March 2023: 20,000,000) ordinary shares of baisa 100 each. At 31 March, the following shareholders held 10% or more of the shares of the Company:

	31 Mar 2024		31 Mar 2023	
	(%)	RO	(%)	RO
Al Anwar Investments SAOG	24.9	497,570	24.9	497,570
Bhacker Suleiman Jaffer Company	13.7	274,882	13.7	274,882
Mohammed Abdul Hussain Bhacker Al Lawati	10.0	200,890	10.0	200,890
Waleed Omar Abdul Munim Al Zawawi	10.0	201,273	10.0	201,273

(b) Share premium of RO 364,263 (2023 - RO 364,263) represents amounts that arose through a business combination model when former Bausher Chemicals SAOG was merged with the company in 2005.

15 Dividend

The proposed dividend for 2023 of Baisa 25 per share amounting to RO 500,000 was approved by the shareholders in the annual general meeting held on 19 March 2024 and was paid during March 2024.

16 Legal reserve

In accordance with Article 132 of the Commercial Companies Law of Oman, annual appropriation of 10% of the net profit for the year has been made to the legal reserve until the reserve equals one third of the Company's share capital. The reserve is not available for distribution but can be utilized to set off against any accumulated losses and increasing the Company's share capital by issuing shares.

17 Revaluation reserve

The revaluation reserve represents the surplus on revaluation of freehold land. This reserve is not available for distribution.

THE NATIONAL DETERGENT CO. SAOG

UNAUDITED NOTES TO THE FINANCIAL STATEMENTS

At 31 March 2024

18 Borrowings

	31 March 2024	31 March 2023	Audited 31 December 2023
	RO	RO	RO
Current			
Bank overdrafts	-	260,721	-
Short term borrowings	<u>2,497,016</u>	<u>4,000,000</u>	<u>2,981,260</u>
Total current borrowings	<u>2,497,016</u>	<u>4,260,721</u>	<u>2,981,260</u>

(a) The Company had obtained credit facilities comprising overdrafts, loans against trust receipts, letters of credit, short term loan and bill discounting facilities from commercial banks during the period. Interest is charged at rates ranging between 5.5 % and 7.0% (2023 – 5.5 % and 6.9 %) per annum.

19 Deferred tax

Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 15% (2023 - 15%). The deferred tax liability and the deferred tax (charge)/credit in the statement of comprehensive income and statement of equity, are attributable to the following items:

	1 January 2024 RO	(Charged)/ credited to statement of comprehensive income	31 March 2024 RO
Deferred tax liabilities			
Deferred tax liability on depreciation and revaluation of property, plant and equipment	<u>(2,182,029)</u>	11,905	<u>(2,170,124)</u>
Deferred tax asset			
Right-of-use assets and lease liabilities	11,201	-	11,201
Provisions	<u>157,499</u>	<u>10,500</u>	<u>167,999</u>
Net deferred tax liabilities	<u>(2,013,329)</u>	<u>65,857</u>	<u>(1,990,924)</u>
	1 January 2023 RO	(Charged)/ credited to statement of comprehensive income	31 Mar 2023 RO
Deferred tax liabilities			
Deferred tax liability on depreciation and revaluation of property, plant and equipment	<u>(2,226,851)</u>	12,201	<u>(2,214,650)</u>
Deferred tax asset			
Right-of-use assets and lease liabilities	7,104	1,630	8,734
Provisions	<u>117,267</u>	<u>4,950</u>	<u>122,217</u>
Net deferred tax liabilities	<u>(2,102,480)</u>	<u>18,781</u>	<u>(2,083,699)</u>

UNAUDITED NOTES TO THE FINANCIAL STATEMENTS

At 31 March 2024

20 End of service benefits

	31 March 2024	31 March 2023	Audited 31 December 2023
	RO	RO	RO
Opening balance	783,391	627,939	627,939
Charge for the year (note 6)	56,266	37,468	176,185
Payments during the year	<u>(9,341)</u>	<u>(10,875)</u>	<u>(20,733)</u>
Closing balance	<u>830,316</u>	<u>654,532</u>	<u>783,391</u>

21 Trade and other payables

	31 March 2024	31 March 2023	Audited 31 December 2023
	RO	RO	RO
Trade payables	3,689,682	2,568,788	2,942,888
Accrued expenses	2,816,397	2,399,999	2,873,215
Other payables	741,462	474,899	646,078
Due to related parties (see note 25)	<u>41,364</u>	<u>27,163</u>	<u>28,749</u>
	<u>7,288,905</u>	<u>5,470,849</u>	<u>6,490,930</u>

22 Net assets per share

Net assets per share is calculated by dividing the net assets at the year end by the number of shares outstanding at 31 Mar as follows:

	31 March 2024	31 March 2023	Audited 31 December 2023
	RO	RO	RO
Net assets (RO)	<u>16,608,592</u>	<u>16,207,295</u>	<u>16,713,801</u>
Number of shares in issue at the end of the year	<u>20,000,000</u>	<u>20,000,000</u>	<u>20,000,000</u>
Net assets per share (Bzs)	<u>830</u>	<u>810</u>	<u>836</u>

23 Contingencies

At 31 Mar 2024, the Company had guarantees in the normal course of business amounting to RO 150,000 (31 Mar 2023 RO 150,000 and 31 December 2023 - RO 150,000) from which it is anticipated that no material liabilities will arise.

24 Commitments

Purchase commitments

At 31 Mar 2024, the Company had purchase commitments amounting to RO 1,703,314 (31 Mar 2023 RO 1,524,112 and 31 December 2023 - RO 1,705,633).

Capital commitments

At 31 Mar 2023, the company had capital commitments amounting to RO 136,886 (31 Mar 2023 RO 37,510 and 31 December 2023 - RO 79,696).

UNAUDITED NOTES TO THE FINANCIAL STATEMENTS

At 31 March 2024

25 Related party transactions

The Company has entered into transactions with entities related to the significant shareholders or directors ("related parties"). In the ordinary course of business, such related parties provide goods and render services to the Company. The Company also sells goods to such related parties. During the year, the following transactions were carried out with related parties:

(i) Sales of goods

	31 Mar 2024 RO	31 Mar 2023 RO
Sales of goods:		
- related parties	<u>144</u>	<u>190</u>

(ii) Purchase of goods

	31 Mar 2024 RO	31 Mar 2023 RO
Purchase of goods:		
- related parties	<u>41,320</u>	<u>28,455</u>

(iii) Key management compensation

	31 Mar 2024 RO	31 Mar 2023 RO
Basic salaries and allowances	75,093	71,633
Other benefits and expenses	<u>3,591</u>	<u>3,468</u>
	<u>78,684</u>	<u>75,101</u>

(iv) Remuneration to directors

	31 Mar 2024 RO	31 Mar 2023 RO
Directors' sitting fees (note 5)	<u>15,600</u>	<u>17,490</u>

(v) Year end balances arising from sales/purchases of goods/services

	31 Mar 2024 RO	31 Mar 2023 RO
Receivable from related parties		
- other related parties (note 12)	<u>383</u>	<u>529</u>
Payable to related parties (note 21)		
- shareholders and directors	<u>41,364</u>	<u>27,163</u>

No provision has been required in 2023 and 2024 in respect of amounts due from related entities.

26 Certain Comparative figures of the Company have been reclassified in order to conform the presentation for the current period. The reclassification has no impact on the profit for the period.