

The National Detergent Co. SAOG

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 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 PRERIOD ENDED 30 SEPTEMBER 2024

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UNAUDITED SUMMARY OF PERFORMANCE
For the period ended 30 September 2024

	Nine months period ended 30 Sep 2024 RO	Nine months period ended 30 Sep 2023 RO
Gross profit	6,697,324	4,816,110
Net profit after tax	1,219,525	481,458
Net assets per share	Bzs 872	Bzs 827
Basic earnings per share	Bzs 61	Bzs 24

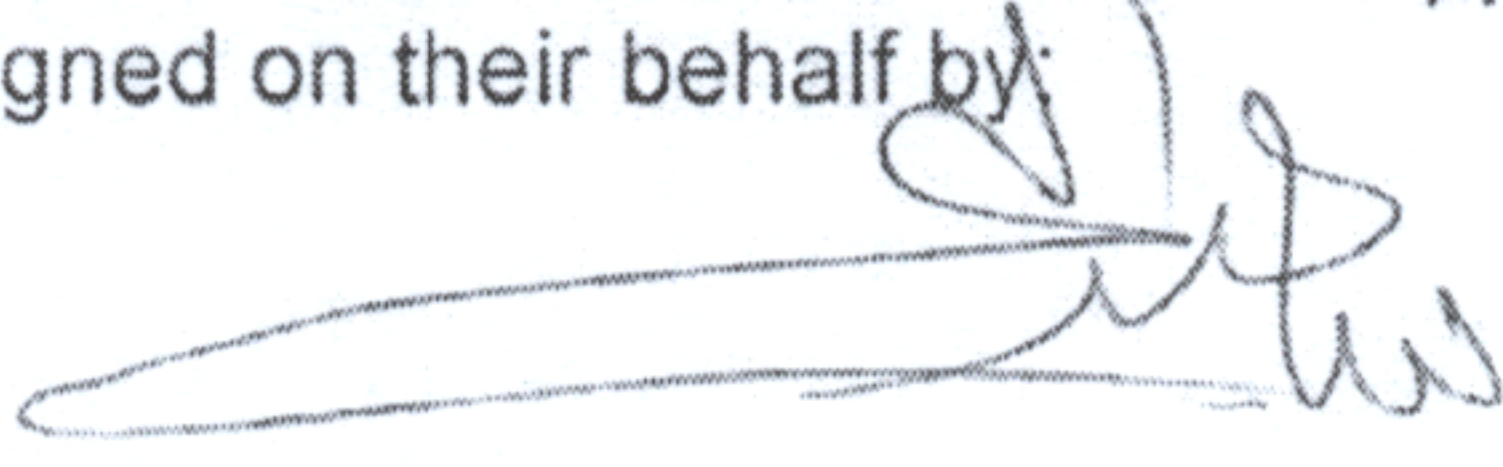
The National Detergent Co. SAOG

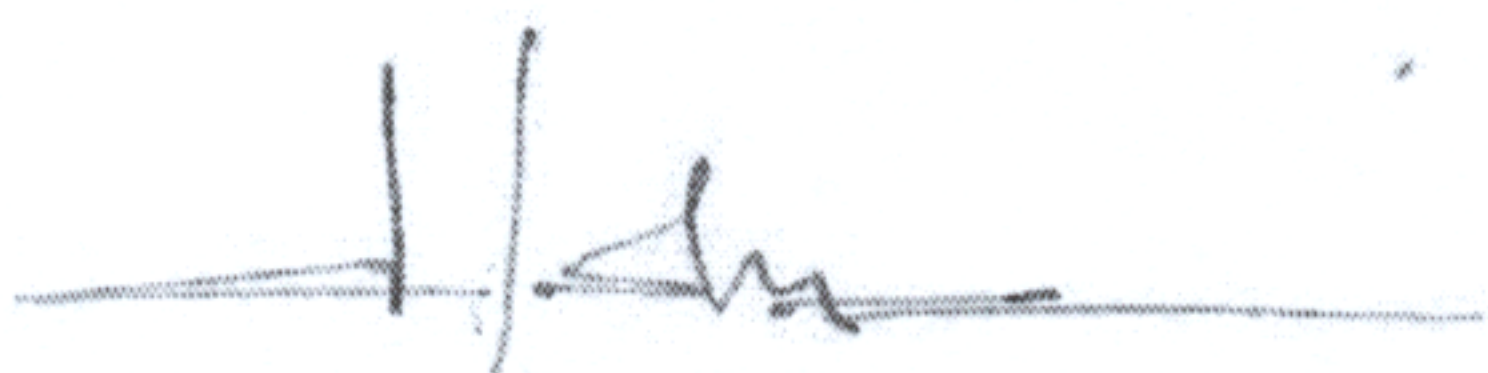
UNAUDITED STATEMENT OF FINANCIAL POSITION

At 30 September 2024

	Note	30 Sep 2024 RO	30 Sep 2023 RO	Audited 31 December 2023 RO
Assets				
Non-current assets				
Property, plant and equipment	10	16,904,173	17,142,444	17,068,674
Lease Assets	10	<u>960,685</u>	<u>1,054,597</u>	<u>1,094,617</u>
Total non-current assets		<u>17,864,858</u>	<u>18,197,041</u>	<u>18,163,291</u>
Current assets				
Inventories	11	5,901,681	2,946,730	3,553,181
Trade and other receivables	12	7,767,890	7,290,662	7,319,741
Cash and cash equivalents	13	<u>775,734</u>	<u>1,305,092</u>	<u>1,322,204</u>
Total current assets		<u>14,445,305</u>	<u>11,542,484</u>	<u>12,195,126</u>
Total assets		<u>32,310,163</u>	<u>29,739,525</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>3,543,978</u>	<u>2,714,144</u>	<u>2,824,453</u>
Total equity		<u>17,433,326</u>	<u>16,537,740</u>	<u>16,713,801</u>
Liabilities				
Non-current liabilities				
Lease liabilities		894,201	988,928	1,008,486
Deferred taxation	19	1,966,445	2,037,432	2,013,329
Employees' end of service benefits	20	<u>822,276</u>	<u>699,648</u>	<u>783,391</u>
Total non-current liabilities		<u>3,682,922</u>	<u>3,726,008</u>	<u>3,805,206</u>
Current liabilities				
Current portion of lease liabilities		157,143	133,098	160,808
Short term bank borrowings	18	2,900,000	3,500,000	2,981,260
Trade and other payables	21	7,874,678	5,692,253	6,490,930
Taxation	8	<u>262,094</u>	<u>150,426</u>	<u>206,412</u>
Total current liabilities		<u>11,193,915</u>	<u>9,475,777</u>	<u>9,839,410</u>
Total liabilities		<u>14,876,837</u>	<u>13,201,785</u>	<u>13,644,616</u>
Total equity and liabilities		<u>32,310,163</u>	<u>29,739,525</u>	<u>30,358,417</u>
Net assets per share	22	Bzs 872	Bzs 827	Bzs 836

The financial statements were approved by the Board of Directors on 23 October 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 COMPREHENSIVE INCOME

For the period ended 30 September 2024

	Note	Nine months period ended 30 Sep 2024 RO	Nine months period ended 30 Sep 2023 RO
Revenue	2	18,969,143	15,831,401
Cost of sales	3	<u>(12,271,819)</u>	<u>(11,015,291)</u>
Gross profit		6,697,324	4,816,110
Selling and distribution expenses	4	<u>(3,930,947)</u>	<u>(2,867,064)</u>
Administrative and general expenses	5	<u>(1,156,971)</u>	<u>(1,160,189)</u>
Other operating income		<u>23,223</u>	<u>13,713</u>
Profit from operations		1,632,629	802,570
Finance costs	7	<u>(197,894)</u>	<u>(238,805)</u>
Profit before tax		1,434,735	563,765
Taxation	8	<u>(215,210)</u>	<u>(82,307)</u>
Net profit for the period		<u>1,219,525</u>	<u>481,458</u>
Basic earnings per share	9	Bzs 61	Bzs 24

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

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The National Detergent Co. SAOG

UNAUDITED STATEMENT OF CHANGES IN EQUITY

At 30 September 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	-	-	-	-	1,219,525	1,219,525
Transaction with owners:	-	-	-	-	-	-
Dividend paid	-	-	-	-	(500,000)	(500,000)
At 30 Sep 2024	<u>2,000,000</u>	<u>364,263</u>	<u>632,835</u>	<u>10,892,250</u>	<u>3,543,978</u>	<u>17,433,326</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 30 September 2024

	30 Sep 2024 RO	30 Sep 2023 RO	Audited 31 December 2023 RO
Operating activities			
(Loss) / profit before tax	1,434,735	563,765	771,709
Adjustment for:			
Depreciation and amortization	591,161	592,823	842,583
Gain on disposal of property, plant and equipment	(3,952)	-	(1,543)
Finance cost	197,894	240,279	300,090
Employees' end of services benefits	98,823	88,276	176,185
Operating profit before changes in working capital	2,318,661	1,485,143	2,089,024
Working capital changes:			
Inventories	(2,348,500)	1,319,256	712,805
Trade and other receivables	(448,149)	(1,022,609)	(1,052,418)
Trade and other payables	1,383,748	(129,342)	670,064
Cash flows (used in)/from operating activities	905,760	1,652,448	2,419,475
Payment of end of service benefits	(59,938)	(16,567)	(20,733)
Tax paid	(206,412)	(21,236)	(21,235)
Net cash flows (used in) from operating activities	639,410	1,614,645	2,377,507
Investing activities			
Acquisitions of property, plant and equipment	(292,728)	(148,048)	(259,054)
Proceeds from disposal on property, plant and equipment	3,952	-	1,543
Net cash flows used in investing activities	(288,776)	(148,048)	(257,511)
Financing activities			
Short term loans	(81,260)	(500,000)	(1,018,740)
Lease liabilities	(167,574)	(145,380)	(223,922)
Dividend paid	(500,000)	-	-
Interest paid	(148,270)	(188,332)	(227,337)
Net cash flows from financing activities	(897,104)	(833,712)	(1,469,999)
Net change in cash and cash equivalents	(546,470)	632,885	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	775,734	1,305,092	1,322,204

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

UNAUDITED NOTES TO THE FINANCIAL STATEMENTS

At 30 September 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:

Sep 2024	Consumer division RO	Other division RO	Total RO
Revenue	18,444,999	524,144	18,969,143
Cost of sales	(11,605,629)	(666,190)	(12,271,819)
Total overheads	(5,052,734)	(35,184)	(5,087,918)
Other Income	<u>23,223</u>	<u>0</u>	<u>23,223</u>
Profit from operations	1,809,859	(177,230)	1,632,629
Finance costs- net	<u>(185,198)</u>	<u>(12,696)</u>	<u>(197,894)</u>
(Loss)/Profit before tax	<u>1,624,661</u>	<u>(189,926)</u>	<u>1,434,735</u>
Taxation	-	-	<u>(215,210)</u>
Profit for the year	-	-	<u>1,219,525</u>
Other financial information			
Trade receivables	<u>7,930,637</u>	<u>205,804</u>	<u>8,136,441</u>
Plant, property and equipment addition	<u>285,704</u>	<u>7,024</u>	<u>292,728</u>

UNAUDITED NOTES TO THE FINANCIAL STATEMENTS

At 30 September 2024

2 Segment information (continued)

Sep 2023	Consumer division RO	Other division RO	Total RO
Revenue	15,299,340	532,061	15,831,401
Cost of sales	(10,503,597)	(511,694)	(11,015,291)
Total overheads	(3,980,108)	(47,145)	(4,027,253)
Other Income	<u>13,713</u>	-	<u>13,713</u>
Profit from operations	829,348	(26,778)	802,570
Finance costs- net	<u>(223,909)</u>	<u>(14,896)</u>	<u>(238,805)</u>
(Loss)/Profit before tax	<u>605,439</u>	<u>(41,674)</u>	<u>563,765</u>
Taxation	-	-	<u>(82,307)</u>
Profit for the year	-	-	<u>481,458</u>
Other financial information			
Trade receivables	<u>7,598,128</u>	<u>240,445</u>	<u>7,838,573</u>
Plant, property and equipment addition	<u>147,733</u>	<u>315</u>	<u>148,048</u>

UNAUDITED NOTES TO THE FINANCIAL STATEMENTS

At 30 September 2024

3 Cost of sales

	Nine months period ended 30 Sep 2024 RO	Nine months period ended 30 Sep 2023 RO
Materials consumed	8,368,994	7,714,832
Direct labour (note 6)	1,742,668	1,446,835
Freight and handling charges	896,037	723,598
Utilities	358,123	330,865
Other direct costs	219,397	178,189
Repairs and maintenance	226,427	142,273
Depreciation (note 10)	396,070	414,596
Depreciation on right of use asset	<u>64,103</u>	<u>64,103</u>
	<u>12,271,819</u>	<u>11,015,291</u>

4 Selling and distribution expenses

	Nine months period ended 30 Sep 2024 RO	Nine months period ended 30 Sep 2023 RO
Sales promotion and advertisement	2,866,315	1,981,649
Employee related expenses (note 6)	785,081	643,042
Distribution Expenses	183,803	175,786
Depreciation on right of use asset	69,828	49,403
Selling expenses	<u>25,920</u>	<u>17,184</u>
	<u>3,930,947</u>	<u>2,867,064</u>

5 Administrative and general expenses

	Nine months period ended 30 Sep 2024 RO	Nine months period ended 30 Sep 2023 RO
Employee related costs (note 6)	705,747	668,625
Allowance for expected credit losses	60,000	160,000
Depreciation (note 10)	61,159	64,721
Repairs expenses	77,757	72,962
Printing stationery and telephone expenses	41,441	33,810
Other expenses	73,987	45,470
Professional charges	64,157	53,433
Travelling conveyance	25,933	8,698
Directors' sitting fees (note 25)	<u>46,790</u>	<u>52,470</u>
	<u>1,156,971</u>	<u>1,160,189</u>

6 Employee related costs

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

	Nine months period ended 30 Sep 2024 RO	Nine months period ended 30 Sep 2023 RO
Wages and salaries	2,444,039	2,105,646
Other benefits	616,587	507,922
End of service benefits (note 20)	98,823	109,493
Training and recruitment expenses	<u>74,047</u>	<u>35,441</u>
	<u>3,233,496</u>	<u>2,758,502</u>

UNAUDITED NOTES TO THE FINANCIAL STATEMENTS

At 30 September 2024

7 Financial cost

	Nine months period ended 30 Sep 2024	Nine months period ended 30 Sep 2023
	RO	RO
Finance cost		
Interest on short term borrowings	153,323	188,332
Interest on right of use asset	49,624	51,947
Foreign exchange difference (gain)/loss	(5,053)	(1,474)
	<u>197,894</u>	<u>238,805</u>

8 Taxation

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

	Nine months period ended 30 Sep 2024	Nine months period ended 30 Sep 2023
	RO	RO
Current tax	262,094	150,426
Prior year tax	-	(3,070)
Deferred Tax Prior year	-	809
Deferred Tax Current year	(46,884)	(65,858)
	<u>215,210</u>	<u>82,307</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:

	Nine months period ended 30 Sep 2024	Nine months period ended 30 Sep 2023
Tax on accounting profit of RO 1,434,735 (2023 - profit RO 563,765)	215,210	84,569
Expenses not allowed	-	(2,262)
Tax charge for the period in the statement of comprehensive income	<u>215,210</u>	<u>82,307</u>

(c) Taxation has been agreed with the Oman Taxation Authorities for all years up to 2020.

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.

	Nine months period ended 30 Sep 2024	Nine months period ended 30 Sep 2023
	RO	RO
Net profit/(loss) attributable to shareholders (RO)	<u>1,219,525</u>	<u>481,458</u>
Number of shares outstanding (note 14)	<u>20,000,000</u>	<u>20,000,000</u>
Earnings per share (Bz)	<u>61</u>	<u>24</u>

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

The National Detergent Co. SAOG

UNAUDITED NOTES TO THE FINANCIAL STATEMENTS

At 30 September 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	135,033	13,157	27,170,522
Transfer CWIP/Assets	-	-	13,157	-	-	(13,157)	-
Additions	-	4,400	218,927	28,659	-	40,742	292,728
Disposal	-	-	(16,432)	-	(10,975)	-	(27,407)
At 30 Sep 2024	<u>13,500,000</u>	<u>4,419,933</u>	<u>8,523,026</u>	<u>828,084</u>	<u>124,058</u>	<u>40,742</u>	<u>27,435,843</u>
Depreciation							
At 1 January 2024	-	3,150,467	6,133,068	704,928	113,385	-	10,101,848
Charge for the year :	-	132,044	285,418	35,124	4,643	-	457,229
Disposal	-	-	(16,432)	-	(10,975)	-	(27,407)
At 30 Sep 2024	<u>-</u>	<u>3,282,511</u>	<u>6,402,054</u>	<u>740,052</u>	<u>107,053</u>	<u>-</u>	<u>10,531,670</u>
Net Book Value							
At 30 Sep 2024	<u>13,500,000</u>	<u>1,137,422</u>	<u>2,120,972</u>	<u>88,032</u>	<u>17,005</u>	<u>40,742</u>	<u>16,904,173</u>

	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	-	-	19,089	-	-	(19,089)	-
Additions	-	9,724	64,566	40,510	24,762	8,486	148,048
Disposal	-	-	(7,336)	-	-	-	(7,336)
At 30 Sep 2023	<u>13,500,000</u>	<u>4,415,533</u>	<u>8,333,430</u>	<u>776,767</u>	<u>135,034</u>	<u>8,486</u>	<u>27,169,250</u>
Depreciation							
At 1 January 2023	-	2,950,862	5,844,886	650,061	109,016	-	9,554,825
Charge for the year :	-	148,252	287,741	40,503	2,821	-	479,317
Disposal	-	-	(7,336)	-	-	-	(7,336)
At 30 Sep 2023	<u>-</u>	<u>3,099,114</u>	<u>6,125,291</u>	<u>690,564</u>	<u>111,837</u>	<u>-</u>	<u>10,026,806</u>
Net Book Value							
At 30 Sep 2023	<u>13,500,000</u>	<u>1,316,419</u>	<u>2,208,139</u>	<u>86,203</u>	<u>23,197</u>	<u>8,486</u>	<u>17,142,444</u>

The National Detergent Co. SAOG

UNAUDITED NOTES TO THE FINANCIAL STATEMENTS

At 30 September 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.

	30 Sep 2024 RO	30 Sep 2023 RO	Audited 31 December 2023 RO
Right of use of assets			
Land	831,731	917,202	895,835
Vehicles	<u>128,954</u>	<u>137,395</u>	<u>198,782</u>
	<u>960,685</u>	<u>1,054,597</u>	<u>1,094,617</u>
Lease liabilities			
Current	157,143	133,098	160,808
Non-current	<u>894,201</u>	<u>988,928</u>	<u>1,008,486</u>
	<u>1,051,344</u>	<u>1,122,026</u>	<u>1,169,294</u>

UNAUDITED NOTES TO THE FINANCIAL STATEMENTS

At 30 September 2024

11 Inventories

	30 Sep 2024 RO	30 Sep 2023 RO	Audited 31 December 2023 RO
Raw and packaging materials	3,720,491	1,756,680	2,041,973
Finished goods	1,525,730	906,738	1,181,944
Consumables and spares	175,034	139,488	143,735
Work in progress	41,395	10,845	13,112
Goods in transit	630,909	268,750	314,295
	6,093,559	3,082,501	3,695,059
Less: Provision for slow moving inventories	(191,878)	(135,771)	(141,878)
	<u>5,901,681</u>	<u>2,946,730</u>	<u>3,553,181</u>

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

	30 Sep 2024 RO	30 Sep 2023 RO	Audited 31 December 2023 RO
Opening balance	141,878	108,582	108,582
Provision for the period	50,000	43,204	60,497
Write off during the period	-	(16,015)	(27,201)
Closing balance	<u>191,878</u>	<u>135,771</u>	<u>141,878</u>

12 Trade and other receivables

	30 Sep 2024 RO	30 Sep 2023 RO	Audited 31 December 2023 RO
Trade receivable	8,136,441	7,838,573	8,019,775
Less: provision for impairment losses on receivables	(968,116)	(833,202)	(908,116)
	7,168,325	7,005,371	7,111,659
Other receivables	512,221	185,933	178,880
Prepayments	86,968	99,057	28,824
Due from related parties (note 25)	376	301	378
	<u>7,767,890</u>	<u>7,290,662</u>	<u>7,319,741</u>

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

	30 Sep 2024 RO	30 Sep 2023 RO	Audited 31 December 2023 RO
Opening balance	908,116	673,202	673,202
Provision for the year	60,000	160,000	237,913
Write off during the year	-	-	(2,999)
Closing balance	<u>968,116</u>	<u>833,202</u>	<u>908,116</u>

UNAUDITED NOTES TO THE FINANCIAL STATEMENTS

At 30 September 2024

13 Cash and bank balances

	30 Sep 2024 RO	30 Sep 2023 RO	Audited 31 December 2023 RO
Cash at bank	766,143	1,289,414	1,315,176
Cash in hand	<u>9,591</u>	<u>15,678</u>	<u>7,028</u>
	<u>775,734</u>	<u>1,305,092</u>	<u>1,322,204</u>

14 Share capital

(a) The Company's authorised, issued, and subscribed share capital comprises 20,000,000 (30 Sep 2023: 20,000,000) ordinary shares of baisa 100 each. At 30 September, the following shareholders held 10% or more of the shares of the Company:

	30 Sep 2024		30 Sep 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.

UNAUDITED NOTES TO THE FINANCIAL STATEMENTS

At 30 September 2024

18 Borrowings

	30 Sep 2024 RO	30 Sep 2023 RO	Audited 31 December 2023 RO
Current			
Bank overdrafts	-	-	-
Short term borrowings	<u>2,900,000</u>	<u>3,500,000</u>	<u>2,981,260</u>
Total current borrowings	<u>2,900,000</u>	<u>3,500,000</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	30 Sep 2024 RO
Deferred tax liabilities			
Deferred tax liability on depreciation and revaluation of property, plant and equipment	(2,182,029)	30,384	(2,151,645)
Deferred tax asset			
Right-of-use assets and lease liabilities	11,201	-	11,201
Provisions	157,499	16,500	173,999
Net deferred tax liabilities	<u>(2,013,329)</u>	<u>46,884</u>	<u>(1,966,445)</u>

	1 January 2023 RO	(Charged)/ credited to statement of comprehensive income	(Charged)/ credited to statement of comprehensive income Prior year	30 Sep 2023 RO
Deferred tax liabilities				
Deferred tax liability on depreciation and revaluation of property, plant and equipment	(2,226,851)	34,768	(809)	(2,192,892)
Deferred tax asset				
Right-of-use assets and lease liabilities	7,104	3,011	-	10,115
Provisions	117,267	28,078	-	145,345
Net deferred tax liabilities	<u>(2,102,480)</u>	<u>65,857</u>	<u>(809)</u>	<u>(2,037,432)</u>

UNAUDITED NOTES TO THE FINANCIAL STATEMENTS

At 30 September 2024

20 End of service benefits

	30 Sep 2024 RO	30 Sep 2023 RO	Audited 31 December 2023 RO
Opening balance	783,391	627,939	627,939
Charge for the year (note 6)	98,823	88,276	176,185
Payments during the year	<u>(59,938)</u>	<u>(16,567)</u>	<u>(20,733)</u>
Closing balance	<u>822,276</u>	<u>699,648</u>	<u>783,391</u>

21 Trade and other payables

	30 Sep 2024 RO	30 Sep 2023 RO	Audited 31 December 2023 RO
Trade payables	3,953,689	2,157,409	2,942,888
Accrued expenses	3,214,649	2,867,464	2,873,215
Other payables	663,277	620,822	646,078
Due to related parties (see note 25)	<u>43,063</u>	<u>46,558</u>	<u>28,749</u>
	<u>7,874,678</u>	<u>5,692,253</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 30 September as follows:

	30 Sep 2024 RO	30 Sep 2023 RO	Audited 31 December 2023 RO
Net assets (RO)	<u>17,433,326</u>	<u>16,537,740</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>872</u>	<u>827</u>	<u>836</u>

23 Contingencies

At 30 Sep 2024, the Company had guarantees in the normal course of business amounting to RO 164,000 (30 Sep 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 30 September 2024, the Company had purchase commitments amounting to RO 1,572,979 (30 September 2023 RO 1,305,857 and 31 December 2023 - RO 1,705,633).

Capital commitments

At 30 September 2024, the company had capital commitments amounting to RO 893,295 (30 September 2023 RO 279,228 and 31 December 2023 - RO 79,696).

UNAUDITED NOTES TO THE FINANCIAL STATEMENTS

At 30 September 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

	30 Sep 2024 RO	30 Sep 2023 RO
Sales of goods: - related parties	<u>537</u>	<u>491</u>

(ii) Purchase of goods

	30 Sep 2024 RO	30 Sep 2023 RO
Purchase of goods: - related parties	<u>129,029</u>	<u>60,776</u>

(iii) Key management compensation

	30 Sep 2024 RO	30 Sep 2023 RO
Basic salaries and allowances	227,120	225,213
Other benefits and expenses	<u>57,478</u>	<u>10,737</u>
	<u>284,598</u>	<u>235,950</u>

(iv) Remuneration to directors

	30 Sep 2024 RO	30 Sep 2023 RO
Directors' sitting fees (note 5)	<u>46,790</u>	<u>52,470</u>

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

	30 Sep 2024 RO	30 Sep 2023 RO
Receivable from related parties - other related parties (note 12)	<u>376</u>	<u>301</u>
Payable to related parties (note 21) - shareholders and directors	<u>43,063</u>	<u>46,558</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.