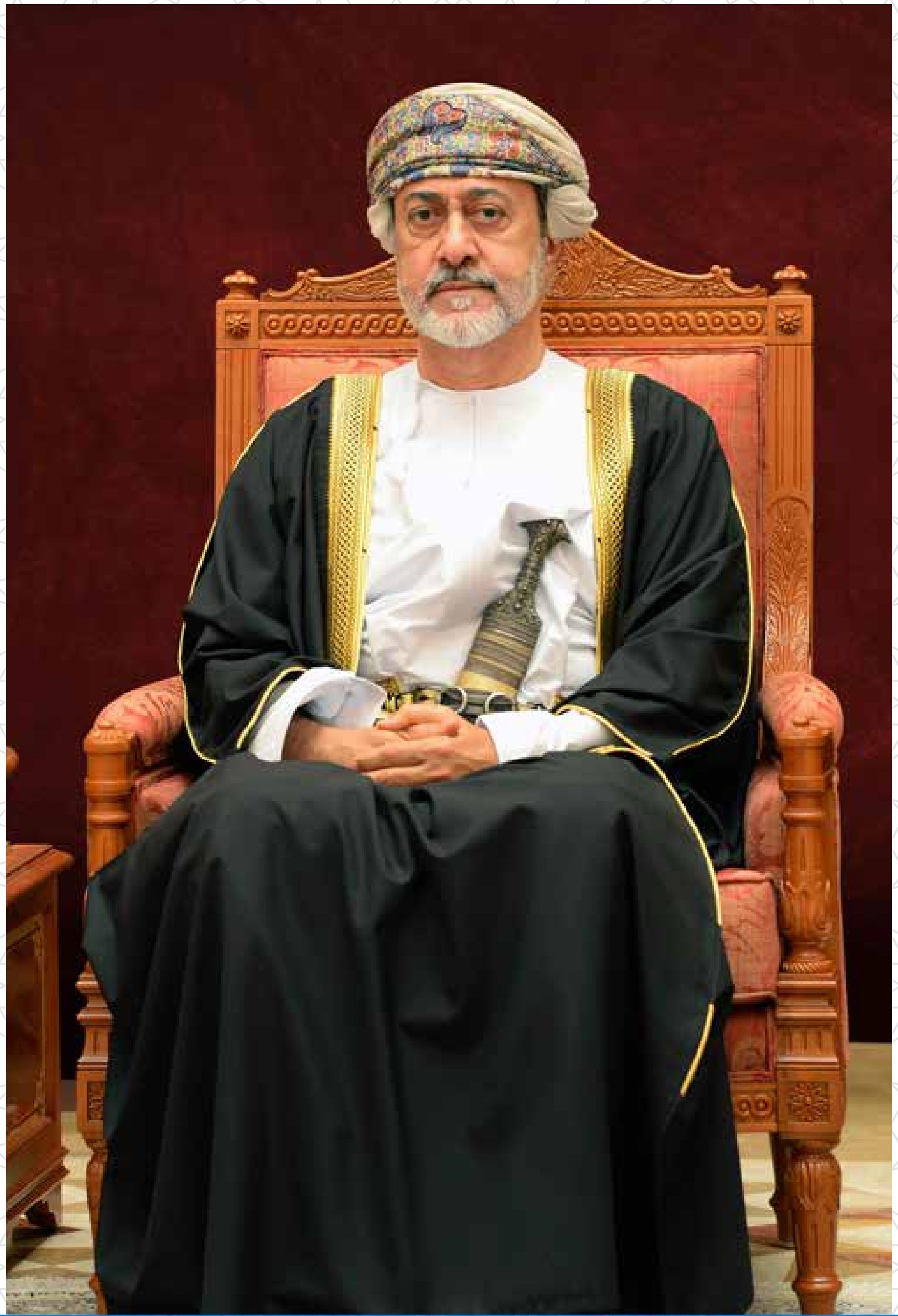
ANNUAL REPORT 2023

A YEAR OF TURN AROUND

PROFIT GROWTH FUTURE

The National Detergent Co. S.A.O.G.



HIS MAJESTY SULTAN HAITHAM BIN TARIK

ADDRESSES

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

SOHAR LIQUID UNIT
Phase No. 5,
Sohar Industrial Estate,
Sultanate of Oman

LIQUID UNIT (INDUSTRIAL & INSTITUTIONS)
Road No. 2,
Rusayl Industrial Estate,
Sultanate of Oman

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

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

CONTENTS

Annual Report 2023

AWARDS

1991
DHL Gulf News Award for one of the Best Industries in the AGCC

1993
His Majesty's Cup for one of the Best Industrial Companies

1994
His Majesty's Certificate for one of the Best Industrial Companies

1995
His Majesty's Certificate for one of the Best Industrial Companies The Only Detergent and Soap Company in the GCC to receive ISO 9001 Certificate

1997
His Majesty's Certificate for one of the Best Industrial Companies Certificate of appreciation from the Ministry of Commerce & Industry for achieving high percentage of Omanisation

1998
His Majesty's Certificate for one of the Best Industrial Companies

1999
His Majesty's Certificate for one of the Best Industrial Companies

2001
His Majesty's Cup for one of the Best Industrial Companies

2002
His Majesty's Cup for one of the Best Industrial Companies

2003
His Majesty's Cup for one of the Best Industrial Companies

2009 - 2010
Voted As "Superbrands" in Oman

2010
"The Greatest Brand" in Oman in "Observer Brand Survey"

2011
Voted As "Superbrands" In Oman His Majesty's Cup Award for the Best Five Factories

2017, 2019, 2021
Winner Oman's Most Trusted Brand

Over the years The National Detergent Co. SAOG has been winning laurels and recognition for the efforts in producing quality products that are "on par" with international brands.

The Company is proud of it's contribution to the evergrowing economy of the Sultanate of Oman.

THE NDC PROMISE

We will continue to serve the country with complete commitment towards the goals set by His Majesty.

We will continue to deal with our customers shareholders and other associates with the integrity and professionalism which has made us worthy of their trust.

DIRECTORS, AUDITORS & BANKERS

Mr. Mohammed Abdul Hussain Bhacker Al Lawati
Chairman

Mr. Anand Budhia
Vice Chairman

Mr. Mehdi bin Mohammed Jawad Al Abduwani
Director

Mr. Pramod Kumar Hiran*
Director

Mr. Khalid bin Abdullah bin Salem Al-Eisri*
Director

Mr. Abdullah Khalil Al Khonji*
Director

Mr. Majid Altaf Sulaiman Al Lawati
Director

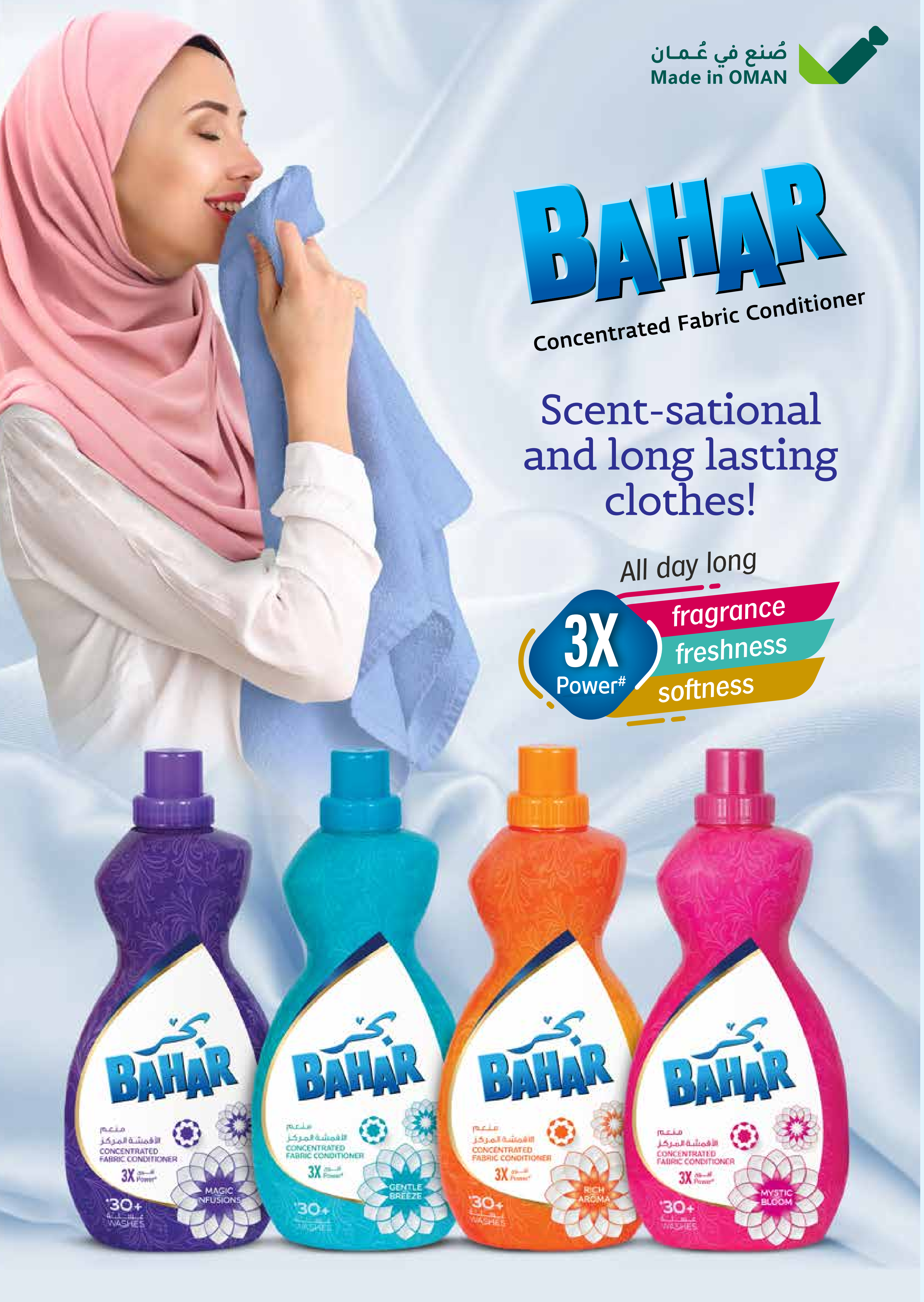
*Member of the Audit Committee

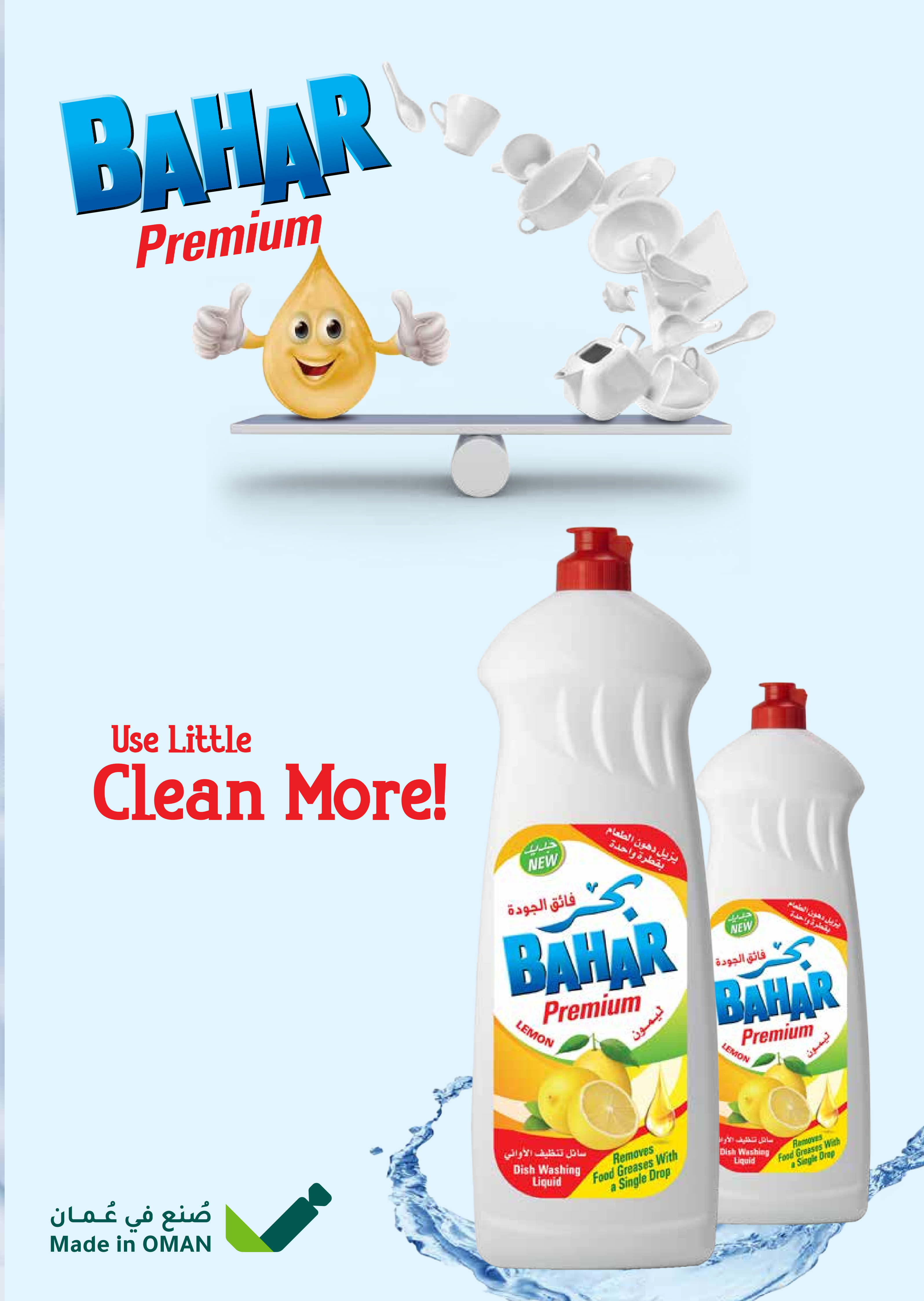
AUDITORS

Moore Stephens LLC

BANKERS

Bank Muscat SAOG
Sohar International Bank SAOG
Oman Arab Bank SAOC
Bank Dhofar SAOG
Naitonal Bank of Oman SAOG
Ahli Bank SAOG


صُنع في عُـمـان
Made in OMAN
BAHAR
Concentrated Fabric Conditioner
Scent-sational and long lasting clothes!
All day long
3X
Power#
fragrance
freshness
softness
BAHAR
CONCENTRATED FABRIC CONDITIONER
MAGIC INFUSIONS
GENTLE BREEZE
RICH AROMA
MYSTIC BLOOM


BAHAR
Premium
Use Little
Clean More!
NEW
BAHAR
Premium
LEMON
Dish Washing Liquid
Removes Food Greases With a Single Drop
صُنع في عُـمـان
Made in OMAN

DIRECTORS' REPORT

Dear Shareholders,

On behalf of the Board of Directors and management, I am pleased to welcome you to the 44th Annual General Meeting of The National Detergent Co. SAOG and to present the Annual Report along with the Auditor's Report for the year 2023.

The Highlights of 2023

Overall Company

Your company has achieved revenue of RO 21.18 million (2022: RO 19.6 million), a growth of 8% over last year. Gross margins have improved to 32% from 23% due to higher domestic sales and planned purchases. Overhead costs were on the higher side for the year due to higher payroll, including end of service benefit as per new labour law and sales-related expenses. Net profit after tax stands at RO 657K as against loss of RO 440k during year 2022.

The Consumer Products Division

The Consumer Products Division registered over RO 20.50 million in sales in the year 2023, a growth verses last year's sales of RO. 18.40 million. Higher sales and demand for detergent powders during the current year have been robust for the year 2023. Liquid products' demand was subdued due to intense competition in the market however, we were able to retain market share during the year. Overall sales realization during the year 2023 has improved.

The flagship BAHAR brand has grown its market share overall.

The Sulphonation Division

The Sulphonation Division has made sales of RO 566k as compared to RO 957k during 2022. The decline in sales is largely attributed to geopolitical issues and tough market competition.

The Industrial & Institutional Division

The division has not done well due to no new contract in Oil & Gas business, however managed to get good sales in construction chemicals and trading. The long-term outlook for this business segment remains positive.

Omanization

The Company has maintained the **Omanization rate at 47%,** well over statutory requirement including at senior management. The Company is making determined efforts to improve the Omanization at various levels of the organization including the senior and middle levels, with adequate training inputs, continued during this period.

Dividend

The Board of Directors has recommended a cash dividend of 25 Bz. per share for the year 2023.

The details of the past dividends are below:

Financial Year	Cash Dividend	Stock Dividend
2022	NIL	NIL
2021 (Bonus shares)	2020	Bzs. 50
2020	Bzs. 50	NIL
2019	Bzs. 45	NIL

Compliance with Internal Regulations and Control Systems

Your Company has put into place internal control systems commensurate with best practice and the size and ever more complex nature of the business. M/s. BDO LLP, an audit firm, was appointed to conduct an independent review of the internal control systems and the Board / Audit Committee efficiently overseas the process at regular intervals. The most reviews during 2023 confirm the Company is running in full compliance.

Future Outlook

NDC is focusing on revenue growth, controlling costs and better margins. NDC has plans of introducing new products that closely meet consumers' needs. Further efforts are being made for cost efficient sourcing and strengthening human resources.

We are seeing a gradual growth of sales volume in the near future. During the year 2023 Prudent purchasing has added value to the company's profitability however, we expect the strain in the material price due to recent geopolitical issues in the region. The Company will continue its efforts to control its costs and maintain a better profitability.

Oman Social Responsibility Initiative

The Company is a socially responsible corporate citizen and as such is supporting various social initiatives to enhance the Omani Society. Well known programs like "Bahar Clean Oman School" restarted during the last year which was discontinued in earlier years due to pandemic.

Future Social Responsibility

The Company is very proudly Omani and will continue to participate in social and educational programs run by various government departments and will contribute time, money and effort for the betterment of Oman.

Acknowledgement

On behalf of the Board of Directors, Senior Management, all of the employees of the Company and myself, I thank His Majesty Sultan Haitham bin Tarik Al Said for his support and encouragement to the industrial sector in the Sultanate of Oman.

Also, I would like to express our gratitude to all the Ministries and the Muscat Municipality for their support. In addition, would also like to thank all the employees of the Company and our customers for their patronage. Finally, and importantly, I would like to thank the shareholders for their confidence in our company and its leadership.

Mohamed Abdul Hussain Baqer Al Lawati
Chairman, Board of Directors

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Activities of the Company

The Company is in the home care, personal care, oil and gas and specialty chemicals industries. It has three divisions, the Consumer Products Division, the Sulphonation Division, and Industrial & Institutional products division (I&I).

The Consumer Products division is engaged in the manufacture, marketing and distribution of detergent powders, liquid detergents, hand wash liquids, toilet soaps, fabric care, personal care products, hygiene care products and other industrial & household cleaning products. The Company distributes its products both directly and through a network of distributors developed over a period of time in local and export markets. Overall, detergent powder sale accounts for a major portion of the Company's business revenue.

The Sulphonation Division is engaged in the manufacture of Sulphonic Acid, a surface-active agent used in detergents and the oil & gas industry. Part of the production is for captive consumption and the balance volume is sold in the open market.

The I&I Division is primarily manufacturing and trading specialty chemicals for Oil, Gas and Construction sectors.

Industry Structure

The detergent market for GCC is estimated to be around 400,000 MT per annum, marginally higher than last year on the back of sign of economic recovery in the GCC. The detergent industry is comprised of three large multinational Companies along with a number of regional players. The detergent market is broadly split between powder detergent and liquid detergent. The powder detergent accounts for a dominant share of the total industry. Based on quality and price, the market is further divided into premium brands, value brands and economy brands.

The overall market growth is generally in line with the population in this region. The market is dominated by multinational brands in the premium and volume segments while the regional players focus on the value and economy segments. With multiple players and excess capacity, this category is highly competitive, price sensitive and susceptible to raw and packing materials prices change significantly. Despite the heightened competition, Bahar has grown in volume and market share in key markets in the region.

In the Sulphonation division, the demand for Sulphonic Acid is generally linked to the production level of detergents and to demand in the upstream oil industry, hand wash liquids and other cleaning products in the region. The industry has a much larger installed capacity in the GCC compared to the regional demand. Being in a basic chemical, the company has to always offer competitive prices and develop export customers for the product.

Opportunities and Threats

The Company has identified new product development, effective promotions, market expansion, management has the main tools to improve the sales volume and profitability. Having developed a reasonable presence in the GCC countries through the distribution network built over the years, the Company's consumer products division continues to leverage its distribution strength to maintain volume sales.

A return to a stable economic situation is likely to provide the necessary impetus to increase the demand for the company's range of products in the coming years. However, geopolitical situation, higher materials prices and supply chain challenges could impact growth. While some of these challenges are favorable, the constraint for high raw and packing materials prices and availability could pose challenges.

The increasing dominance of Modern Trade in our industry is providing good opportunities for growth but at significantly higher marketing, and promotional costs and therefore lower margins.

Renewed focus on Oman, UAE, KSA and Kuwait, with new products development, will provide opportunities for growth.

Available excess capacity and the continuing intense price competition both from multinational companies and local manufacturers will pose challenges to sales growth and to operating margins. Factors including significant operational cost increases due to increasing material costs, freight costs, labour costs, utilities costs, regulatory costs and the price competition in the industry could have a considerable impact on the Company's operating margins. The change in policies in one of the major countries in the region impacts regular exports to this market and contributes to adverse impact to the bottom-line, which is expected to continue in the near future. Inability to increase prices further due to the artificial control on price increases in many countries including Oman also has a strong adverse impact on the profitability.

The new and stricter regulatory norms in the key countries in GCC especially KSA and UAE are increasing the cost and complexities of doing export business. The introduction of import duty by KSA on goods from Oman has impacted our secondary sales in the market and resulted in lower margins for the company.

The reality of price fluctuation in material costs will have an impact on Company profitability. The Company had created pricing strategies to attempt to offset a significant part of the increased costs, the benefits of which has accrued during the year.

In the Sulphonation division, the price of the major raw material has been rising in line with the oil prices during the year and the outlook is uncertain. The overall economic trends in the region and nearby markets are uncertain and oil prices are likely to impact the overall cost for Sulphonic acid. As the industry in the region is having excess manufacturing capacity, the price competition will continue to have an impact on the operating margins. The opening of new capacity in the region in recent years has also intensified the price competition in this industry. However, the strategy of renewing distribution agreements in export markets, launching new variants in dominant category, focusing on liquid detergent, entering new categories, increasing awareness and visibility campaigns, improved purchasing strategy, introducing research & development to develop product that will give adequate margin will help us to mitigate the challenges to a large extent.

Risks and Concerns

The Geo-political situation in the region is a concern at a macro level. Continued tensions in the MENA is a concern for international trade. The currency fluctuations and devaluation is leading to many Non-GCC export markets sales drying up.

Credit on open terms is a normal practice in the industry and the Company has to offer credit to the customers to sustain its sales volume, achieve range management objectives, start business with new customers and enter into new markets. The Company has an approved credit policy and guidelines for commercial operations which is periodically reviewed to ensure that the credit exposure risk is kept at acceptable levels, while not losing out on opportunities for sales.

Internal Control

The Company has in place an adequate internal control system commensurate with the nature and size of its operations. The Company had appointed M/s BDO LLC, an audit firm in Oman for reviewing the adequacy of controls and compliance with systems and procedures. The Audit Committee oversees the audit and adequacy of the internal control systems.

Operational Performance

Despite the challenges, the Consumer Products division has recorded higher value sales compared to the previous year. The company has been able to grow the volume market share of Bahar in many key markets in GCC. In Oman the Company has been able to grow its market share of Bahar from 36% to 40% (internal estimate) despite intense price competition.

The company increased the promotional prices, thereby improving margins, whilst ensuring we are below or on par with the approved prices of respective governments.

Direct Cost were controlled by implementing a professional purchasing strategy and other direct expenses were controlled by implementing cost saving initiatives which have contributed to the bottom line for the year. The administrative and general expenses were controlled despite employee-related costs, non-plant deprecation on software, maintenance cost of software and hardware, internet cost and sitting fee during the year. Finance cost was controlled in spite of an increase in interest rates during the year. Interest rates are charged on short-term borrowings for working capital.

In the Sulphonation Division, export sales volume has registered de-growth due to price competition in the market and excess capacities available in the region. However, profit before tax was registered during the year due to saving in materials cost and other direct costs.

In the Industrial & Institutional division, the company has registered lower sales compared to last year due to lower levels of business in Oil & Gas and construction sectors as a result of the activity decline in the sector. Due to higher fixed costs including payroll-related costs, depreciation and finance costs, the operating profit was affected adversely. The Company has reinvested in manpower and strengthening its operations and is anticipating growth in the coming years.

The net profit before tax for the year was RO 771,709/- compared to the loss before tax of RO 495,967/- of the previous year.

Future

The economy returning gradually will be good news for future plans. However, the current excess capacity in the region and geopolitical issues will continue, impacting price realization levels and operating margins. Effective price management, product range expansion along with expense control, cost reduction exercises and identifying and tapping potential new customers and channels to trade are part of our continuing strategic response to achieve profitable operational results in the coming years.

MOORE

Moore Stephens LLC
Office No. 41, 4th Floor
Building No. 1022, Way No. 1013
Al Wilaj Street, Al Qurum
P.O. Box : 933, Postal Code : 112
Sultanate of Oman
T +968 24061000
F +968 24061099
E info@moore-oman.com
www.moore-oman.com

The Board of Directors
The National Detergent Company SAOG
P O Box 3104, Postal Code 112
Muscat, Sultanate of Oman

AGREED UPON PROCEDURES ON CODE OF CORPORATE GOVERNANCE

Purpose of this Agreed-Upon Procedure Report and Restriction on Use and Distribution

Our report is solely for the purpose of assisting the Board of Directors of The National Detergent Company SAOG ('the Company') in determining whether their Corporate Governance report is in compliance with the Code of Corporate Governance (the "Code") of Capital Market Authority (CMA) of the Sultanate of Oman as prescribed under CMA Circular No. E/10/2016 dated 1 December 2016. This report may not be suitable for another purpose.

Responsibilities of Management and the Board of Directors

The Management and the Board of Directors have prepared the Corporate Governance report ("the Report") and remain solely responsible for it and are also responsible for identifying and ensuring that the contents of the Report comply with the Code. The Management and the Board of Directors have acknowledged that the agreed-upon procedures are appropriate and sufficient for the purpose of the engagement.

Responsibilities of the Practitioner

We have conducted the agreed-upon procedures engagement in accordance with the *International Standard on Related Services (ISRS) 4400 'Agreed-Upon Procedures Engagements'*. An agreed-upon procedures engagement involves our performing the procedures that have been agreed with the Management and the Board of Directors, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures. This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported.

Professional Ethics and Quality Control

We have complied with the ethical requirements and the independence requirements in accordance with *International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code)*. Our firm applies *International Standard on Quality Control (ISQC) 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

MOORE

AGREED UPON PROCEDURES ON CODE OF CORPORATE GOVERNANCE (Continued)

Procedures and findings

We have performed the procedures described below, which were agreed upon with the Management and the Board of Directors of The National Detergent Company SAOG on compliance with the Code:

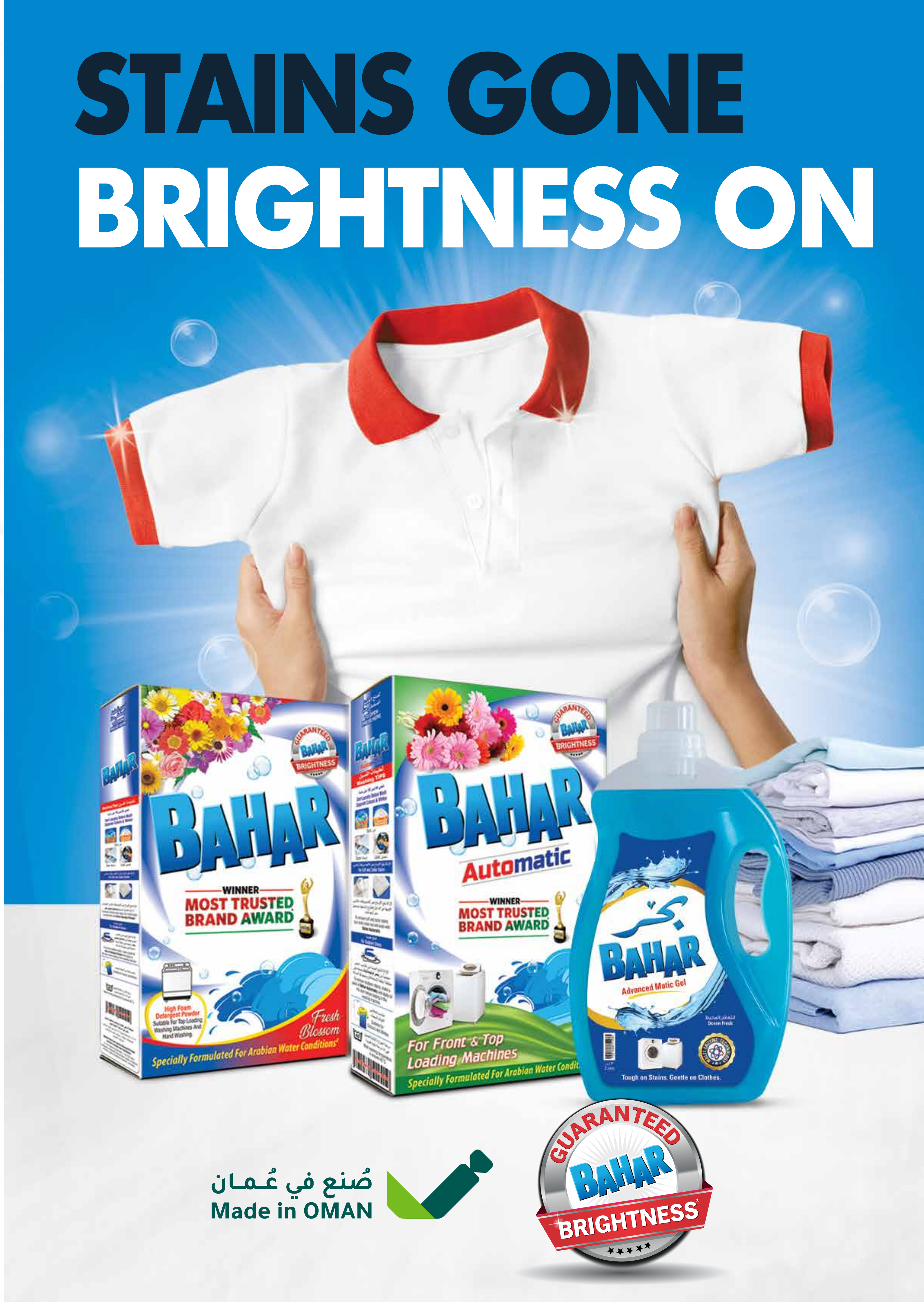
Procedures	Findings
1. We obtained the Company's Corporate Governance report for the year ended 31 December 2023 and compared its contents to the minimum requirements of the CMA as set out in Annexure 3 of the Code.	No exceptions noted.
2. We obtained the details regarding areas of non-compliance, if any, with the Code identified in the Corporate Governance report for the year ended 31 December 2023. Additionally, we obtained written representations from the Management that there were no other areas of non-compliance with the Code for the year ended 31 December 2023, of which they were aware.	No exceptions noted.

This report relates only to the accompanying Corporate Governance report of the Company to be included in its annual report for the year ended 31 December 2023 and does not extend to the Company's financial statements taken as a whole.

25 February 2024

Moore Stephens

مور ستيفنز ش.م.م
ص.ب: ٩٣٣، الرمز: ١١٢
روي سلطنة عمان
P.O. Box: 933, P.Code: 112
Ruwi, Sultanate of Oman
MOORE STEPHENS L.L.C.

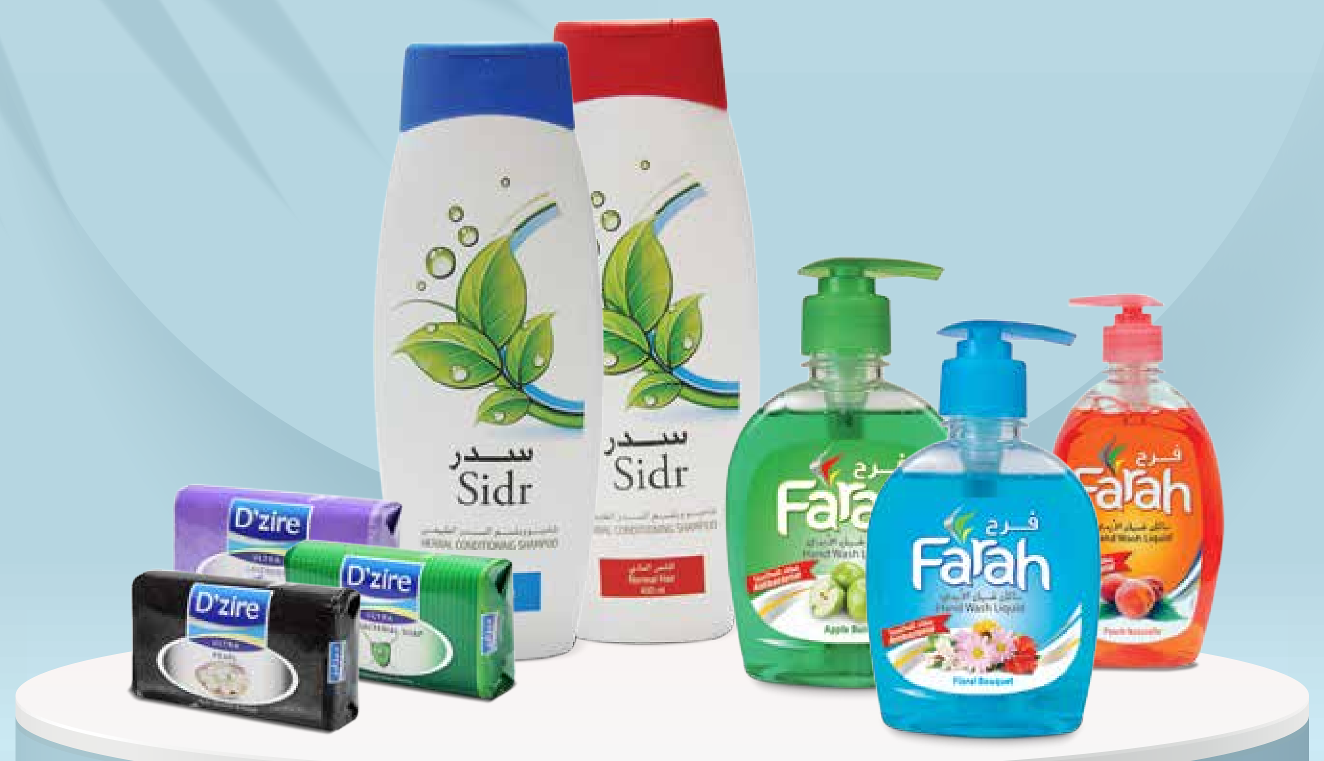


OUR PERSONAL CARE PRODUCTS

D'zire ULTRA

Farah

سدر Sidr



صُنع في عُمان
Made in OMAN

CORPORATE GOVERNANCE REPORT

1. CORPORATE GOVERNANCE PHILOSOPHY

The National Detergent Co. SAOG is committed to the highest standards of corporate governance in all its activities. Key elements in corporate governance including transparency, disclosure, internal control, risk management, internal and external communications of high standards are being practiced. The Board confirms that the Company follows the principles enlisted in the Capital Market Authority's Code of Corporate Governance for Muscat Security Market listed Companies.

The following is the status and progress on certain aspects of corporate governance.

2. BOARD OF DIRECTORS

Composition: The Company's Board is composed solely of Non-Executive Directors. The Board currently comprises seven Directors, two of whom are Non-Independent Directors and five of whom are Independent Directors. The Board of Directors have experience in various disciplines including finance, industry, trading and general manufacturing. The present Board was elected at the Annual General Meeting held on 16th March 2022 for three years in accordance with the rules and conditions for election of Directors prescribed for public joint stock companies. In line with the requirements of the Commercial Companies Law, the newly elected Board met separately to elect its Chairman and Vice-Chairman apart from reconstituting its committees. Besides, the Secretary to the Board was also duly nominated and elected. The Company has an induction programme for Directors, which covers the wider business environment, Company's specific businesses as well as specific corporate governance elements (e.g. Code of Conduct and confidentiality).

Board Meetings and Details of Board Members: During the year ended 31 December 2023, six meetings of the Board of Directors were held on the following dates i.e. 21st February, 19th April, 26th July, 06th September, 29th October, and 13th December.

Name of the Director	Position	Independent	No. of Meetings attended	Whether attended last AGM
Mohammed Abdul Hussain Bhacker	Chairman Non-Executive	No	6	Yes
Anand Budhia	Vice Chairman Non-Executive	Yes	6	Yes
Mehdi bin Mohammed Jawad Al Abduwani	Non-Executive	Yes	6	Yes
Abdullah Khalil Al Khonji	Non-Executive	Yes	6	Yes
Mehdi bin Mohammed Jawad Al Abduwani	Non-Executive	Yes	6	Yes
Pramod Kumar Hiran	Non-Executive	Yes	6	Yes
Khalid bin Abdullah bin Salem Al-Eisri	Non-Executive	No	5	Yes
Majid Altaf Sulaiman Al Lawati	Non-Executive	Yes	6	Yes

Other Directorships held during the year:

Name of the Director	Name of the Company	Position Held
Anand Budhia	Muscat Insurance Co. SAOG National Finance Co. SAOG	Director Director
Pramod Kumar Hiran	Muscat Finance Co. SAOG Oman Re-insurance SAOG	Director Director
Mehdi bin Mohammed Jawad Al Abduwani	Computer Stationary Industry SAOG Oman Printers & Stationery	Chairman General Manager
Abdullah Khalil Al Khonji	Oman Qatar Insurance Co SAOG	Director
Khalid bin Abdullah bin Salem Al-Eisri	National Biscuit SAOG Voltamp Energy Al Ruwad International	Director Director Director

Directors' profiles:

Mr Mohammed Abdul Hussain Bhacker Al Lawati, Chairman:

Graduate from Yarmook University, Jordan having more than 29 years of experience in the field of trading, distribution, marketing, manufacturing and real estate. He is a member of Board of Directors of M/s Bhacker Suleman Jaffer Co.

Mr Anand Budhia, Director, Vice-Chairman:

A Chartered Accountant, Company Secretary and Cost Accountant from India having over 28 years of experience in the fields of corporate finance & overseas investment, strategic management, corporate law, business planning and control in manufacturing and other sectors. He has been working in Oman for over 13 years. He is a Director of the Muscat Insurance Co. SAOG, National Finance Co. SAOG and a member of the Audit Committee and Director in other SAOC Companies.

Mr Mehdi bin Mohammed Jawad Al Abduwani, Director:

Mr. Mehdi has a diverse experience that he gained during his career in various fields, he has experience in the fields of economic planning, banking services, corporate and finance management, and communications. He has extensive management experience and is familiar with corporate governance system.

He held several key positions, including the Director General of Development Planning at the Supreme Council for Planning. In addition, he chaired a number of companies' boards of directors and sub-board committees. He was a board member of number of companies inside and outside the Sultanate. His last position was as Senior Vice President of the Oman Rail Company/INSHA a subsidiary of the Asyad Group.

He holds a bachelor's degree in economics from Yarmouk University in Jordan and a postgraduate degree in development planning Techniques from the Netherlands.

Mr. Pramod Kumar Hiran, Director:

Mr. Pramod Kumar Hiran is a Science graduate, an Associate Member of the Institute of Chartered Accountants of India, and a Member of the Institute of Cost Accountants of India. He has over 30 years of professional experience working in India and Oman. He is also on the Board of Muscat Finance SAOG, National Detergents Co. SAOG as an independent director.

Mr Khalid bin Abdullah bin Salem Al-Eisri, Director:

He holds a bachelor's degree in finance from Sultan Qaboos University and a Certified Financial Analyst (CFA) and has 19 years of experience in investment management and Consulting Companies and a member of the Board of Directors of many Companies. He is

currently the Chief Executive Officer of Al Anwar Investments SAOG.

Mr Abdullah Khalil Al Khonji, Director:

He is an Investment Professional with experience in the private equity industry. He holds a Master's in Finance from City University London, England. He is a member of Audit Committee.

Mr Majid Altaf Sulaiman Al Lawati, Director:

He holds a Master's degree in Investment Banking & Islamic Finance from University of Reading, UK, and has 8 years of experience in the investment field.

3. AUDIT COMMITTEE

Composition and Meetings: The Committee was elected in March 2022 for three years, comprising of three non-executive directors and the majority of them are independent. The statutory auditors, internal auditors and the senior management personnel were invited to attend the meetings of the Committee as and when required. Besides, the Committee also met the external auditors independently during the year. The Committee met Five times during the year ended 2023 on the following dates, 20th February, 19th April, 22nd June, 25th July, and 23rd October.

Name of the Member	No. of meetings Attended	Position
Pramod Kumar Hiran	5	Chairman
Abdullah Khalil Al Khonji	4	Member
Khalid bin Abdullah bin Salem Al-Nisri	4	Member

Role of Audit Committee:

The role of the Audit Committee covers the matters specified under the Code of Corporate Governance, which includes: -

Overseeing the financial reporting process and disclosure of financial information in general and with particular reference to review the annual and quarterly financial statements before submission to the Board.

Reviewing any change in accounting policy and practices and ensuring alignment with International Financial Reporting Standards (IFRS).

Reviewing the adequacy of the internal control systems through the reports of the internal and external auditors.

Reviewing risk management policies of the company and ensuring their adequacy.

Reviewing proposed transactions with related parties for making suitable recommendations to the Board.

Reviewing compliances in accordance with the Capital Market Authority, Commercial Law and other Laws applicable to the company.

Overseeing the internal audit function in general with particular reference to reviewing the scope of the internal audit plan for each year.

Considering the choice of statutory auditors, determining their fees and terms of engagement and recommending their appointment.

The Committee also holds discussions with the external and internal auditors independent of the management wherever necessary apart from serving as a channel of communication between the auditors and the Board.

4. NOMINATION & REMUNERATION EXECUTIVE COMMITTEE

The Company had in place a duly constituted Nomination & Remuneration Committee, in accordance with the Corporate Governance, and an Executive Committee. Both committees were merged and named 'Nomination and Remuneration Executive Committee' (NREC) comprising three non-executive directors.

The Committee met six times during the year 2023 on 31st January, 14th March, 16th April, 30th August, 13th September, and 12th December. During the meetings the Committee discussed the succession plan of key management and increment and ex-gratia bonus amount to the employees. The Committee also discussed the budget for the year, new business proposals and future business expansion plans. The Committee members also discussed with the management significant market developments and major operational issues. The Committee is delegated with appropriate powers and authority for guiding the management in the smooth running of the operations of the Company.

Name of the Member	No. of meetings Attended	Position
Mohammed Abdul Hussain Bhacker	6	Chairman
Mehdi bin Mohammed Jawad Al Abduwani	4	Member
Anand Budhia	6	Member
Khalid bin Abdullah bin Salem Al -Eisri	5	Member
Majid Altaf Sulaiman Al lawati	6	Member

Role of Nomination & Remuneration Executive Committee:

The role of the Nomination & Remuneration Executive Committee covers the matters specified under the Code of Corporate Governance, which includes:

Prepare a succession plan for the executive management of the Company.

Develop a policy or succession plan for the Board or at least the Chairman.

Prepare a detailed description of the role and responsibilities of the Board members, including the Chairman, to facilitate acquainting members with their roles and measure their performance.

Find competent people to join the Board on a temporary basis when a vacancy exists.

Search for and nominate competent people for executive posts as per the request of the Board.

Prepare remuneration, allowance, and bonus policies for the executive management. Periodically review the above policies taking into consideration market conditions and the company's performance.

To review and discuss budget for the year, new business proposal and future business expansion plan.

To review and discuss with the management the significant market developments and major operational issues.

5. REMUNERATION MATTERS

Sitting fees amounting to RO 58,600/- are payable for meetings during the year.

Directors' name	Sitting fee (RO)
Mohammed Abdul Hussain Bhacker	9,600
Anand Budhia	8,400
Mehdi bin Mohammed Jawad Al Abduwani	7,400
Abdullah Khalil Al Khonji	7,400

Pramod Kumar Hiran	8,400
Khalid bin Adullah bin Salem Al -Esri	9,000
Majid Altaf Sulaiman Al Lawati	8,400
Total	**58,600**

Management Remuneration:

The salary, benefits, bonus, gratuity, pension paid during the year to the top five officers is given below. Bonus/incentive/ex-gratia was paid after annual evaluation and achievement of key tasks, which were set at the beginning of each year. The service contracts are for a two-year term with a notice period of three months on either side.

Details	RO
Salaries	170,475
Allowance and perquisites	131,728
Bonus and commission	11,700
Terminal benefits / PASI	12,692
Total	**326,595**

Management Profiles:

Mr. Murali Sundar, Chief Executive Officer:

Holds a Bachelor degree of Engineering from Anna university and Master's in Business Administration from University of Madras, India having more than 28 years of experience in various reputed companies.

Mr. Deepak Kumar Jain, Dy. CEO & CFO:

A Chartered Accountant from India and holds a Master's in Business Administration (Finance) from University of Leicester, UK with additional qualifications of a professional Law Degree and Diploma in Computer Programming, having more than 33 years of experience with various multinational and reputed companies.

Mr. Anish Kumar, Head of Sales & Marketing:

Holds a Science graduate degree from Madras Christian College with Master's Degree in Business Administration from National Institute of Technology Trichy, India having more than 25 years of work experience with multinational companies.

Mr. Babu Pezhery, Operations Manager:

Holds a Chemical Engineering degree from Thrissur Government Engineering College, India and having more than 22 years of experience in different FMCG companies in India and GCC.

Mr. Nasser Mansoor Al Rawahi, General Manager - Administration and Human Resources

Holds a Diploma in Business Administration and has more than 30 years of experience in professional human resources management in Oman.

6. CMA/MSM REGULATIONS

The Company has complied fully with CMA/MSM regulations during the last three years and any non-compliance is reported separately.

7. MEANS OF COMMUNICATION WITH SHARE HOLDERS AND INVESTORS

The Company publishes quarterly results, in Arabic and English as per the CMA regulations. The electronic copy is submitted to CMA to host on their website for access by shareholders.

In accordance with Decision No. E/109/2022 issued on 17 July 2022 on Rules for Interaction between Public Joint Stock Companies, the Media, Investors and Analysts. The Company held two Investor relation sessions on 18 May 2023 and 27 November 2023, where it presented to the investor community the unaudited financial statements for the period ended 31 March 2023 and the unaudited financial statements for the period ended 30 September 2023 outlining its key strategic and business performance highlights as well as key points discussing the Company's goals and values.

The Management Discussion and Analysis Report forms a part of the Annual Report.

The Company has its own website on which the Company profile as well as the results are updated periodically. The website address is www.ndcoman.com

The dates of the Shareholders meeting held during the past two years are given below.

Financial Year	Date of Meeting	Type of Meeting	Venue	Time
2023	14 December 2023	EGM	Online	3:00 P.M.
2023	16 March 2023	OGM	Crown Plaza, Muscat	5:00 P.M.
2022	23 March 2022	OGM	Crown Plaza, Muscat	5:00 P.M.

8. MARKET PRICE DATA

The details of the high and low prices of the company's shares traded in various months during 2023, the MSM share price index and the MSM index for industry sector shares traded are given below.

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
High – RO	0.540	0.540	0.540	0.540	0.540	0.540	0.540	0.540	0.540	0.48	0.53	0.64
Low – RO	0.540	0.540	0.540	0.540	0.540	0.540	0.540	0.540	0.540	0.48	0.63	0.71
MSM Share Price index	4,703	4,753	4,863	4,718	4,626	4,768	4,776	4,799	4,678	4,545	4,658	4,514
MSM Index for Industry Sector Shares	5,855	5,942	6,071	6,297	5,990	6,145	6,118	6,011	5,655	5,437	5,355	5,475

9. DISTRIBUTION OF SHAREHOLDING

Information on shareholders' holding more than 5% is furnished in here under:

	As on 31–Dec–2023	
	(%)	No of Shares held
Al Anwar Investments SAOG	24.9	4,975,701
Bhacker Suleiman Jaffer Company	13.7	2,748,825
Mr. Mohammed Abdul Hussain Bin Bhacker Al Lawati	10.0	2,008,898
Mr Waleed Omar Abdul Munim Al Zawawi	10.0	2,012,725
Mr. Redha Baqir Al Lawati	8.1	1,621,748
Mr. Mustaq Abdulla Jafer Al Salah	5.1	1,022,777
Ms. Areej Omar Abdul Muniem Al Zawawi	5.0	1,006,362
Ms. Reem Omar Abdul Muniem Al Zawawi	5.0	1,030,100

10. AREAS OF NON-COMPLIANCE WITH PROVISIONS OF CORPORATE GOVERNANCE

The Company has complied with all other regulations of the CMA/MSM during 2023 and there are no penalties or strictures imposed on the company on any matter related to capital markets during the last three years.

11. PROFILE OF STATUTORY AUDITORS

The shareholders of the Company appointed Moore Stephens as the Company's auditors for the year 2023.

Moore Stephens LLC, Oman is part of the Moore Global network, which is regarded as one of the world's major accounting and consulting networks, with its headquarters in London, consisting of more than 228 independent firms with 522 offices and more than 34,000 people across 110 countries.

The Oman office commenced practice in the Sultanate of Oman in 1988. Over the years, the practice has developed considerably and now services a number of clients, including major listed companies, Groups, government organisations and Ministries providing either audit, tax or management consultancy services. The local staff strength is around 65, most of whom are qualified Chartered Accountants, internal auditors and information systems auditors.

12. AUDIT FEE TO AUDITORS

Total audit fee for the annual audit paid / due to auditors was RO 11,500/- (RO Eleven Thousand Five Hundred only) for the year.

13. RELATED PARTY TRANSACTIONS

The transactions with related parties are disclosed in note 14 to the Accounts in the Annual Report.

14. COMPLIANCE WITH INTERNAL REGULATIONS AND CONTROL SYSTEM

The Company understands its responsibility in preparing the financial statements in accordance with the applicable International Accounting Standards and the disclosure requirements of the Capital Market Authority and other applicable rules.

The company has been constantly monitoring and upgrading its internal control procedures and systems in compliance with the local laws and regulations. As a part of this process, the internal controls, procedures manuals and guidelines as recommended by the Capital Market Authority have been implemented from 2003 and time to time revised incorporating latest changes in local laws. The Board, through the appointment of an external firm as internal auditor, regular involvement of Audit committee in the review process and based on the periodical reports submitted by the internal auditor, have reviewed the internal controls and procedures adopted by the Company and found them to be adequate and effective.

We confirm according to our knowledge there is no material things that affect the continuation of the Company and its ability to continue its operations during the next financial year.

MOORE

Moore Stephens LLC
Office No. 41, 4th Floor
Building No. 1022, Way No. 1013
Al Wilaj Street, Al Qurum
P.O. Box : 933, Postal Code : 112
Sultanate of Oman
T +968 24061000
F +968 24061099
E info@moore-oman.com
www.moore-oman.com

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF THE NATIONAL DETERGENT COMPANY SAOG

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of The National Detergent Company SAOG, set out on pages 5 to 35, which comprise the statement of financial position as at 31 December 2023, and the statement of 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 December 2023 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 International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), together with the ethical requirements that are relevant to our audit of the Company's 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.

Other Matter

The financial statements of the Company for the year ended 31 December 2022, were audited by another auditor whose audit report dated 26 February 2023 expressed an unmodified opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

MOORE

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
THE NATIONAL DETERGENT COMPANY SAOG (Continued)

Key Audit Matters (Continued)

We have determined the matters described below to be the key audit matters to be communicated in our report.

a) *Revenue recognition*

The revenue for the year amounted to RO 21.2 million. Revenue recognition is considered as a significant risk given the high volume of transactions and the use of significant estimates and judgements in determining the transaction price and identification of distinct performance obligations in accordance with IFRS 15. Accordingly, we have considered the revenue recognition as a key audit matter.

Our audit procedures in this regard included:

- Assessing and evaluating the terms of the revenue contracts of the Company with the customers as well as the Company's accounting polices in accordance with the requirements of IFRS 15;
- Assessing the design and testing the operating effectiveness of relevant controls over the recognition of revenue;
- Performing test of controls to verify occurrence, completeness and accuracy of revenue transactions on a sample basis;
- Conducting analytical procedures on disaggregated data of revenue transactions during the audit period to identify any unusual trends warranting additional audit procedures;
- Performing revenue cut-off procedures by selecting a sample of invoices before and after year end to determine if revenue has been recorded in the appropriate period;
- Testing the appropriateness of accruals for various rebates and discounts as at the end of the reporting period; and
- Considering adequacy and appropriateness of related disclosures.

The additional information regarding the revenue recognized during the year is set out in notes 15 and 27 to the financial statements.

b) *Allowance for expected credit losses (ECL) and impairment of trade receivables*

The trade receivables amounting to RO 7.11 million (net of allowance for ECL) represents 23% of the total assets and is significant to the Company as on 31 December 2023. Accordingly, we have considered the estimation of allowance for ECL and impairment of trade receivables as a key audit matter.

MOORE

Key Audit Matters (Continued)

b) *Allowance for expected credit losses (ECL) and impairment of trade receivables (Continued)*

Our audit procedures in this regard included:

- Obtaining an understanding of the Company's process for estimating ECL and assessing the appropriateness of the ECL methodology against the requirements of IFRS 9.
- Testing the key controls established by the Management to ensure identification of impaired debts.
- Obtaining the ageing analysis for receivables and testing, on a sample basis, its correctness.
- For a sample of trade receivables and past due debts, assessing the recoverability status by considering subsequent receipts.
- Considering adequacy and appropriateness of related disclosures.

The disclosures regarding the allowance for ECL and impairment of trade receivables are set out in notes 8 and 28 b) to the financial statements.

Other information

The Management and the Board of Directors are responsible for other information. The other information comprises the Chairman's report, Management Discussion and Analysis report and Corporate Governance Report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and the Board of Directors for the Financial Statements

The Management and the Board of Directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the relevant requirements of the Commercial Companies Law of the Sultanate of Oman, the disclosure requirements for public joint stock companies issued by the Capital Market Authority and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management and the Board of Directors are 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

MOORE

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF THE NATIONAL DETERGENT COMPANY SAOG (Continued)

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 ISAs, we exercise professional judgment and maintain professional skepticism 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.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

MOORE

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF THE NATIONAL DETERGENT COMPANY SAOG (Continued)

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Regulatory Requirements

The financial statements also comply, in all material respects, with the relevant requirements of the Commercial Companies Law of the Sultanate of Oman, and the disclosure requirements for public joint stock companies issued by the Capital Market Authority.

The engagement partner on the audit resulting in this independent auditor's report is Mr Prasad Inna.

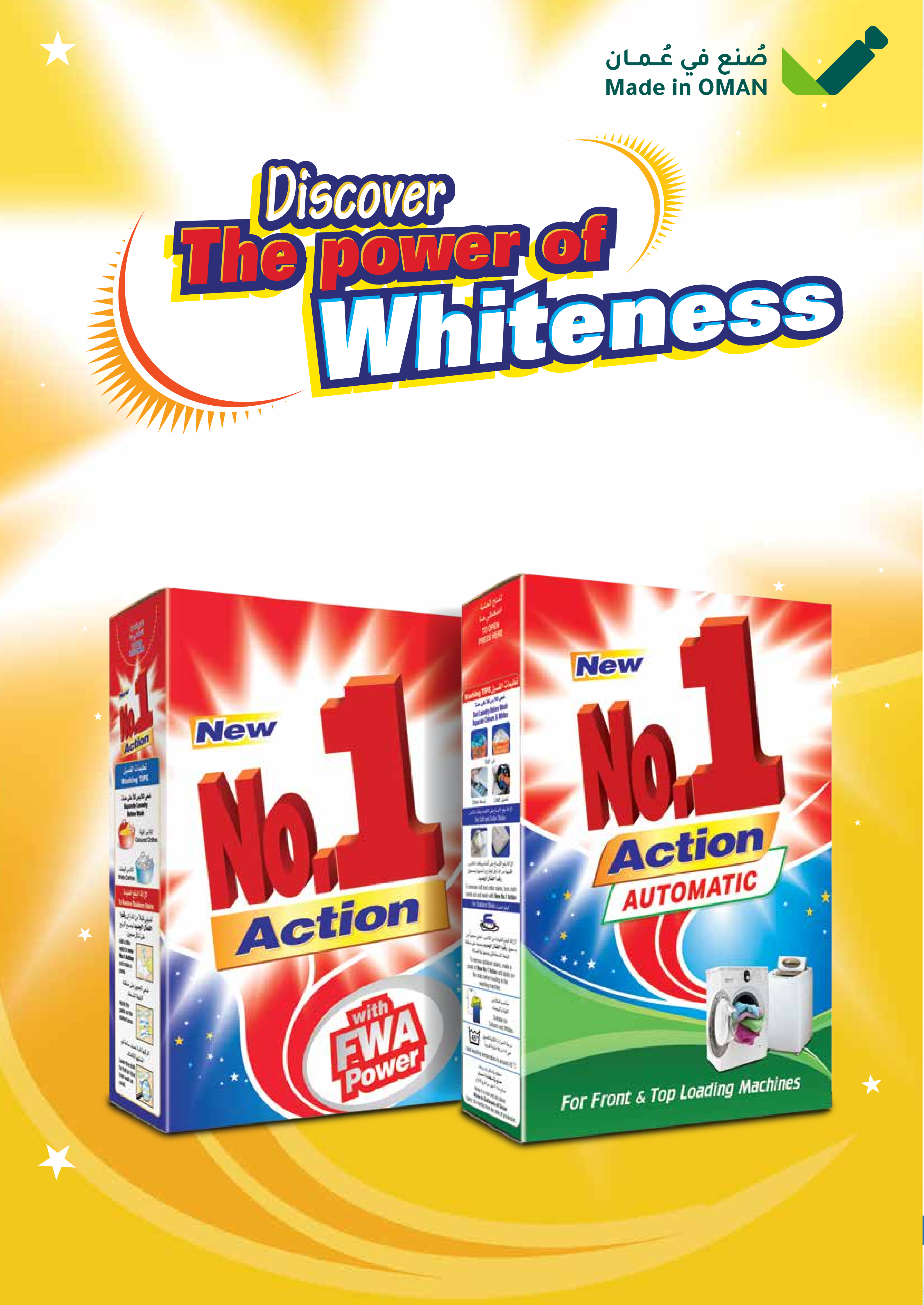
For Moore Stephens LLC

Prasad Inna
Partner

Membership No. – 117806
ICAI, India.

25 February 2024

P.O. Box: 933, P.Code: 112
Ruwi, Sultanate of Oman
MOORE STEPHENS L.L.C.



Statement of financial position
as at 31 December 2023

	Note	2023 RO	2022 RO
ASSETS			
Non-current assets			
Property, plant and equipment	5	**17,068,674**	17,473,713
Right of use assets	6 b)	**1,094,617**	1,168,104
Total non - current assets		**18,163,291**	18,641,817
Current assets			
Inventories	7	**3,553,181**	4,265,986
Trade and other receivables	8	**7,319,741**	6,267,323
Bank balances and cash	9	**1,322,204**	672,207
Total current assets		**12,195,126**	11,205,516
Total assets		**30,358,417**	29,847,333
EQUITY AND LIABILITIES			
Equity			
Share capital	10	**2,000,000**	2,000,000
Share premium	11 a)	**364,263**	364,263
Legal reserve	11 b)	**632,835**	567,083
Revaluation reserve	11 c)	**10,892,250**	10,892,250
Retained earnings		**2,824,453**	2,232,686
Total equity		**16,713,801**	16,056,282
Liabilities			
Non-current liabilities			
Non-current portion of lease liabilities	6 e)	**1,008,486**	1,082,362
Employees’ end of service benefits	20 c)	**783,391**	627,939
Deferred tax liability	22	**2,013,329**	2,102,480
Total non-current liabilities		**3,805,206**	3,812,781
Current liabilities			
Current portion of lease liabilities	6 e)	**160,808**	133,098
Trade and other payables	12	**6,490,930**	5,820,866
Bank borrowings	13	**2,981,260**	4,000,000
Taxation	22	**206,412**	24,306
Total current liabilities		**9,839,410**	9,978,270
Total liabilities		**13,644,616**	13,791,051
Total equity and liabilities		**30,358,417**	29,847,333
Net assets per share	24	**0.836**	0.803

These financial statements were approved by the Board of Directors on 25 February 2024 and were signed on their behalf by:

Mohammed Abdul Hussain Bhacker Al Lawati	**Murali Sundar**	**Deepak Jain**
Chairman	**Chief Executive Officer**	**Chief Financial Officer**

The attached notes 1 to 30 form part of these financial statements.

Statement of profit or loss and other comprehensive income
for the year ended 31 December 2023

	Note	2023 RO	2022 RO
INCOME			
Revenue from contracts with customers	15	**21,180,627**	19,641,345
Cost of sales	16	**(14,361,035)**	(15,112,982)
Gross profit		**6,819,592**	4,528,363
Other income	17	**21,181**	107,561
		6,840,773	4,635,924
EXPENSES			
General and administration	18	**(1,634,701)**	(1,293,593)
Selling and distribution	19	**(4,134,273)**	(3,516,431)
Finance charges	21	**(300,090)**	(321,867)
		(6,069,064)	(5,131,891)
Profit / (loss) before taxation		**771,709**	(495,967)
Tax (charge) / credit	22	**(114,190)**	55,633
Net profit / (loss) for the year		**657,519**	(440,334)
Basic earnings / (loss) per share	23	**0.033**	(0.022)

The attached notes 1 to 30 form part of these financial statements.

Statement of changes in equity
for the year ended 31 December 2023

	Share capital RO (note 10)	Share premium RO [note 11 a)]	Legal reserve RO [note 11 b)]	Revaluation reserve RO [note 11 c)]	Retained earnings RO	Total RO
At 31 December 2021	1,701,250	364,263	567,083	10,892,250	2,971,770	16,496,616
Net loss and total comprehensive income for the year	--	--	--	--	(440,334)	(440,334)
Issue of bonus shares	298,750	--	--	--	(298,750)	--
At 31 December 2022	2,000,000	364,263	567,083	10,892,250	2,232,686	16,056,282
At 31 December 2022	**2,000,000**	**364,263**	**567,083**	**10,892,250**	**2,232,686**	**16,056,282**
Net profit and total comprehensive income for the year	--	--	--	--	**657,519**	**657,519**
Transfer to legal reserve	--	--	**65,752**	--	**(65,752)**	--
At 31 December 2023	**2,000,000**	**364,263**	**632,835**	**10,892,250**	**2,824,453**	**16,713,801**

The attached notes 1 to 30 form part of these financial statements.

Statement of cash flows
for the year ended 31 December 2023

	2023 RO	2022 RO
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	**771,709**	(495,967)
Adjustments for:		
Depreciation on property, plant and equipment	**664,093**	641,818
Depreciation of right of use assets	**178,490**	158,048
Finance costs	**300,090**	321,867
Lease concession	**--**	(56,343)
Gain on disposal of property, plant and equipment	**(1,543)**	(48,947)
Employees' end of service benefits	**176,185**	95,419
Operating profit before working capital changes	**2,089,024**	615,895
Working capital changes:		
Inventories	**712,805**	(225,316)
Trade and other receivables	**(1,052,418)**	(525,644)
Trade and other payables	**670,064**	742,925
Net cash generated from operations	**2,419,475**	607,860
Employees› end of service benefits paid	**(20,733)**	(41,138)
Tax paid	**(21,235)**	(18,396)
Net cash generated from operating activities	**2,377,507**	548,326
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	**(259,054)**	(157,460)
Proceeds from disposal of property, plant and equipment	**1,543**	80,524
Net cash used in investing activities	**(257,511)**	(76,936)
CASH FLOWS FROM FINANCING ACTIVITIES		
Finance charges paid	**(227,337)**	(249,059)
Net movement in bank borrowings	**(1,018,740)**	--
Lease liabilities paid	**(223,922)**	(73,504)
Net cash used in financing activities	**(1,469,999)**	(322,563)
Net increase in cash and cash equivalents during the year	**649,997**	148,827
Cash and cash equivalents at the beginning of the year	**672,207**	523,380
Cash and cash equivalents at the end of the year	**1,322,204**	672,207

The attached notes 1 to 30 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

1 ACTIVITIES

The National Detergent Co SAOG ("the Company") was formed in 1986 and is registered in the Sultanate of Oman as a public joint stock company. The Company's principal activity is the manufacture and sale of detergents, liquid soaps, and home care products.

2 BASIS OF PREPARATION AND ADOPTION OF NEW AND AMENDED IFRS

2.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board (IASB), interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), the relevant disclosure requirements of the Capital Market Authority and the requirements of the Commercial Companies Law of the Sultanate of Oman.

The financial statements are presented in Omani Rials.

2.2 New and amended IFRS adopted by the Company

The financial statements have been drawn up based on accounting standards, interpretations and amendments effective at 1 January 2023. The Company has adopted the following new and revised Standards and Interpretations issued by International Accounting Standards Board and the International Financial Reporting Interpretations Committee, which were effective for the current accounting period:

- IFRS 17 'Insurance contracts' establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued. It also requires similar principles to be applied to reinsurance contracts held and investment contracts with discretionary participation features issued. The Company does not have contract that meets the definition of insurance contract under IFRS 17.
- Amendments to IAS 1 'Presentation of financial statements' require an entity to disclose its material accounting policy information rather than its significant accounting policies. The related guidance and examples have been detailed in IFRS Practice Statement 2 'Making materiality judgements'.
- Amendments to IAS 8 'Accounting policies, changes in accounting estimates and errors' introduce the definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The amendments also help entities distinguish changes in accounting estimates from changes in accounting policies.
- Amendments to IAS 12 'Income taxes' narrow the scope of the recognition exemption so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

The Management believes the adoption of the above amendments has not had any material impact on the recognition, measurement, presentation and disclosure of items in the financial statements for the current accounting period.

2 BASIS OF PREPARATION AND ADOPTION OF NEW AND AMENDED IFRS (Continued)

2.3 New and amended IFRS which are in issue but not yet effective

At the end of the reporting period, the following significant new and revised standards were in issue but not yet effective:

- Amendments to IAS 1 (Non-current liabilities with covenants) clarify the requirements for presentation of liabilities in the statement of financial position as current or non-current. The amendments clarify that if a liability is subject to covenants, the Company may only classify a liability as non-current if it meets the covenant tests as at the reporting date, even if the lender does not test compliance until a later date. The meaning of settlement of a liability is also clarified. The mandatory application date of this amendment has been deferred from 1 January 2023 to 1 January 2024.

- Amendments to IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosures' clarifies the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The amendments will be effective for annual reporting periods commencing on or after 1 January 2024.

- Amendments to IFRS 16 (Lease liability in a sale and leaseback) clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments are applicable for annual periods commencing on or after 1 January 2024.

- Amendments to IAS 21 'The effects of changes in foreign exchange rates' added the definition of exchangeable currency and estimating the spot exchange rate when exchangeability is lacking. The amendments are applicable for annual periods commencing on or after 1 January 2025.

The Management believes the adoption of the above amendments is not likely to have any material impact on the recognition, measurement, presentation and disclosure of items in the financial statements for future periods.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing the financial statements, the Management is required to make estimates and assumptions which affect reported income and expenses, assets, liabilities and related disclosures. The use of available information and application of judgement based on historical experience and other factors are inherent in the formation of estimates that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. In particular, estimates that involve uncertainties and judgements which have significant effect on the financial statements include:

- Useful lives of property, plant and equipment

  The estimation of useful lives of property, plant and equipment is based on Management's assessment of various factors such as the supplier's technical estimates, operating cycles, the maintenance programs and normal wear and tear.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

- Provision for slow and non-moving inventories

  Provision for slow and non-moving inventories is based on Management's estimate of the realisable value of the inventories based on the Company's provisioning policy and historical experiences considering the usage of the inventories.

- Allowance for expected credit losses (ECLs)

  The Company uses the flow-rate model to calculate ECLs for all trade receivables. The flow-rate method is based on the probability of a receivable progressing through successive stages of delinquency to write-off. Flow rates are calculated separately for exposures in different segments based on the common credit risk characteristics.

  The ECL is initially based on the Company's historical observed default rates. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the GDP growth, oil prices and inflation rates to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

  At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

  ECL on bank balances is determined using credit rating information supplied by independent rating agencies, where available. ECL on other receivables is provided if the amount is deemed material.

- Valuation of land

  Land is measured under revaluation model. The estimation of fair value of land at the end of the reporting period is based on independent valuation undertaken by professional valuers at periodic intervals (3 to 4 years) or when the Management believes the fair value of the land is materially different from its carrying value.

- Estimation of the lease term and right of use assets

  The Management determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Management applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease by considering all relevant factors that create an economic incentive for it to exercise either the renewal or termination.

- Incremental borrowing rate

  The Management applies judgement when electing the incremental borrowing rate to discount the lease liabilities.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

- Impairment of non-financial assets

  At the end of the reporting period, the Management has assessed if there are any indicators of impairment of non-financial assets (property, plant and equipment and right-of-use assets). Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The computation of value in use and fair value less costs to sell require the use of estimates.

  The Management has concluded, based on assessment of available evidence, that impairment has not arisen in the carrying values of non-financial assets at the end of the reporting period.

- Volume rebates

  The Company's expected volume rebates are analysed on a per customer basis for contracts that are subject to a single volume threshold. Determining whether a customer will likely be entitled to rebate will depend on the customer's historical rebates entitlement and accumulated sales to date.

4 MATERIAL ACCOUNTING POLICY INFORMATION

The following accounting policies have been consistently applied in dealing with items considered material to the Company's financial statements.

a. Accounting convention

These financial statements have been prepared under the historical cost convention as modified by the measurement of land revaluation.

b. Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods.

Revenue from sale of finished goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the finished goods. The normal credit term is 60 to 90 days upon delivery.

Variable consideration

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., fixed and progressive rebates). In determining the transaction price for the sale of finished goods, the Management considers the effects of variable consideration and consideration payable to the customer (if any).

If the consideration in a contract includes a variable amount, the Management estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of finished goods provide customers with fixed and progressive rebates which give rise to variable consideration.

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Revenue from contracts with customers (Continued)

Rebates

The Company offers two types of rebates i.e. fixed rebate and volume rebate.

Fixed rebates

Fixed rebates are extended for certain contracts against the overall value of sales undertaken and are irrespective of any criteria to be complied with. Fixed rebates are accounted simultaneously through a credit note when the revenue is accounted and effectively reduced from revenue.

Volume rebates

The Company provides volume or progressive rebates to certain customers once the quantity of products sold during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Company applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold.

The Company then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates. The Company reviews its estimate of expected returns at each reporting date and updates the amounts of the asset and liability accordingly.

c. Property, plant and equipment

Land is stated in the statement of financial position at revalued amounts, being the fair value on the basis of its existing use at the date of revaluation, less any impairment losses. Revaluations are performed with sufficient regularity by independent valuers such that the carrying amount does not differ materially from that which would be determined using fair values at the reporting date.

Any revaluation increase arising on the revaluation of land is credited to the revaluation reserve (net of deferred tax), except to the extent that it reverses a revaluation decrease previously recognised as an expense, in which case the increase is credited to the income statement to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation is charged as an expense to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to previous revaluation.

Other items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Where an item of property, plant and equipment comprises major components having different useful lives, they are accounted for as separate items of property, plant and equipment. Following initial recognition at cost, expenditure incurred to replace a component of an item of property, plant and equipment which increases the future economic benefits embodied in the item of property, plant and equipment is capitalised. All other expenditures are recognised in the statement of income as an expense as incurred.

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

Land and capital work in progress are not depreciated. Depreciation is charged to the statement of income on a straight-line basis over the estimated useful lives of items of property, plant and equipment.

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

c) Property, plant and equipment (Continued)

The estimated useful economic lives are as follows:

	Years
Buildings	20– 33
Plant and machinery	4 – 20
Furniture, fixtures and office equipment	3-5
Motor vehicles	4

d. Inventories

Inventories are stated at lower of cost and net realisable value. The cost of raw materials, packing materials, consumables and finished goods is determined using the weighted average price method and comprise expenditure incurred in the normal course of business in bringing the inventories to their present location and condition. Cost of finished goods includes cost of direct materials, direct labour and applicable direct overheads based on the normal operating capacity. Goods in transit, which are stated at cost, comprise their invoice value plus other charges paid thereon.

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

e. Financial assets

Recognition and initial measurement

The Company's financial assets comprise trade and other receivables, bank balances and cash. These financial assets are classified, at initial recognition, as subsequently measured at amortised cost. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial assets at amortised cost:

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income, if any, from these financial assets is included in finance income using the effective interest rate method. Impairment losses are presented as a separate line item in the statement of income.

f. Trade and other receivables

Trade receivables are amounts due from customers for goods sold in the ordinary course of business and represent the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). They are generally due for settlement within 30 to 90 days and therefore are all classified as current.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing component, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost.

g. Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents consist of cash and bank balances with an original maturity of less than three months.

h. Impairment

Financial assets

A financial asset is assessed at each reporting date to determine whether there is objective evidence that it is impaired. The Company measures the impairment using the expected credit loss (ECL) model for different categories of financial assets.

Trade receivables

The Company recognises allowance for expected credit losses (ECLs) applying a simplified approach for trade receivables at an amount equal to lifetime ECLs. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the trade receivables and the economic environment.

Other financial assets

For other financial assets, which are subject to impairment, the ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL).

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

h) Impairment (Continued)

For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a lifetime ECL is recognised for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default.

For bank balances and cash and other receivables, the ECL adjustments are made only if they are material.

Write off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Non-financial assets

At the end of each reporting period, the Management assesses if there is any indication of impairment of non-financial assets. If an indication exists, the Management estimates the recoverable amount of the asset or cash generating unit (CGU) and recognises an impairment loss in the statement of income.

The recoverable amount is assessed as higher of asset's or CGU's value in use (VIU) and fair value less costs to sell. In assessing the VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects market assessments of the time value of money and other asset specific risks. The Management also assesses if there is any indication that an impairment loss recognized in prior years no longer exists or has reduced. The resultant impairment loss reversals are recognised immediately in the statement of income.

i. Employees' end of service benefits

Payment is made to Omani Government's Social Security Scheme under Royal Decree number 72 / 91 (as amended) for Omani employees. Provision is made for amounts payable under the Sultanate of Oman's Labour Law under Royal Decree number 53 / 2023 applicable to non-Omani employees' accumulated periods of service at the end of the reporting period.

j. Financial liabilities

Financial liabilities are initially measured at fair value and are subsequently measured at amortised cost.

k. Trade and other payables

Liabilities are recognised for amounts to be paid for goods and services received, whether or not billed to the Company.

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

l. Provisions

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

m. Taxation

Taxation is provided for in accordance with the Sultanate of Oman's fiscal regulations.

Deferred taxation is provided using the liability method on all temporary differences at the reporting date. It is calculated at the tax rates that are expected to apply to the period when it is anticipated the liabilities will be settled and is based on the rates (and laws) that have been enacted at the end of the reporting period.

Deferred tax assets in relation to carry forward losses or timing differences are recognised to the extent that it is probable that future taxable profits will be achieved.

n. Contract liabilities

A contract liability is the obligation to transfer goods to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

o. Refund liabilities

A refund liability is recognized when the Company receives consideration from a customer and expects to refund some or all of that consideration to the customer. A refund liability is measured at the amount of consideration received (or receivable) for which the Company does not expect to be entitled (i.e. amounts not included in the transaction price). The refund liability (and corresponding change in the transaction price) shall be updated at the end of each reporting period for changes in circumstances. For consideration that is expected to be refunded through rebates or slotting fees, a refund liability, a right of return asset (and corresponding adjustment to income) is recognised.

p. Leases

The Company leases its factory and office premises, staff accommodation and vehicles under various leasing arrangements. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices unless it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

p. Leases (Continued)

Leases are recognised as right of use assets and corresponding liabilities at the date at which the leased asset is available for use by the Company. Lease liabilities include (wherever applicable) the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Company under residual value guarantees
- the exercise price of a purchase option if the Company is reasonably certain to exercise the option, and
- penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Company's incremental borrowing rate is used.

Lease payments are allocated between the principal and interest cost. The interest cost is charged to the statement of income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right of use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liabilities;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs, and
- restoration costs, if applicable.

Right of use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right of use assets are depreciated over the underlying asset's useful life.

Payments associated with short-term leases and of low-value assets are recognised on a straight-line basis as an expense in the statement of income.

q. Foreign currency transactions

Transactions denominated in foreign currencies are translated to Rial Omani at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated to Rial Omani at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in the statement of income.

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

r. Fair value hierarchy

The Company has classified fair value measurements for financial and non-financial assets on a recurring basis using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

The Company has classified fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The fair value measurement of the non-financial asset (land) takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

s. Operating segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components whose operating results are reviewed regularly by the Company's Board of Directors to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

t. Dividends

The Board of Directors recommend to the Shareholders dividend to be paid out of Company's accumulated profits. The Company's Board of Directors take into account appropriate parameters including the requirements of the Commercial Companies Law of Oman and other relevant directives issued by CMA while recommending the dividend. Dividends are recognized as a liability only in the period in which the dividends are approved by the Shareholders.

u. Directors' remuneration

The Company follows the Commercial Companies Law of the Sultanate of Oman, and other latest relevant directives issued by CMA, in regard to determination of the amount to be paid as Directors' remuneration and meeting attendance fees. Directors' remuneration and meeting attendance fees are charged to the statement of income in the year to which they relate.

5 PROPERTY, PLANT AND EQUIPMENT

a. The movement in the balances relating to property, plant and equipment during the years 2023 and 2022 are set out on pages 33 and 34 respectively.

b. Buildings have been constructed on various plots of lands leased from Madayn in the Rusayl Industrial Estate and Sohar Industrial Estate under leasing arrangements as detailed in note 6 a).

c. Land is revalued based on market value as determined by registered independent valuer in the year 2022. At the end of the reporting period, the Management believes that the fair value of the freehold land is not materially different from its carrying value.

d. The fair value of the land was assessed based on the market comparable approach that reflects recent transaction prices of similar properties. The fair value hierarchy level for the land has been determined using the level 3 hierarchy [note 4 r)].

Had the land been carried under the cost model, the carrying value of land would have been RO 685,589 (2022 – RO 685,589).

The depreciation for the year has been allocated as follows:

	2023	2022
	RO	RO
Cost of sales (note 16)	**575,340**	555,742
General and administration (note 18)	**88,753**	86,076
	664,093	641,818

6 LEASES

a. At the end of the reporting period, the leasing arrangements entered into by the Company as a lessee are as follows:

- Leasing arrangements for the office premises, staff accommodation and warehouses. For the leases that are for short term, the Company has opted to recognise a lease expense on a straight-line basis as permitted by IFRS 16.
- Leasing arrangements for the plots of factory lands in the Rusayl and Sohar Industrial Estates in the Sultanate of Oman. The lease term is 10 to 25 years. [note 5 b)].
- Leasing arrangements for vehicles. The lease term is 4 years.

6 LEASES (Continued)

b. The movement in the right of use assets during the year is as follows:

Year ended 31 December 2023	Land	Vehicles	Total
	RO	RO	RO
At the beginning of the year	981,306	186,798	1,168,104
Additions during the year	--	105,003	105,003
Less: Depreciation for the year [note g)]	(85,471)	(93,019)	(178,490)
At the end of the year	895,835	198,782	1,094,617

Year ended 31 December 2022	Land	Vehicles	Total
	RO	RO	RO
At the beginning of the year	1,081,175	197,242	1,278,417
Additions during the year	--	60,634	60,634
Lease modifications during the year	(12,899)	-	(12,899)
Less: Depreciation for the year [note g)]	(86,970)	(71,078)	(158,048)
At the end of the year	981,306	186,798	1,168,104

c. The depreciation charge on the right of use assets for the year has been allocated as follows:

	2023	2022
	RO	RO
Cost of sales (note 16)	**85,471**	86,970
Selling and distribution (note 19)	**93,019**	71,078
	178,490	158,048

d. The movement in the lease liabilities during the year is as follows:

	2023	2022
	RO	RO
At the beginning of the year	**1,215,460**	1,224,764
Additions during the year	**105,003**	60,634
Lease modifications during the year	**--**	(12,899)
Interest on lease liabilities	**72,753**	72,808
Lease rental concession	**--**	(56,343)
Paid during the year	**(223,922)**	(73,504)
At the end of the year	**1,169,294**	1,215,460

e. At the end of the reporting period, lease liabilities are analysed as follows:

	2023	2022
	RO	RO
Non-current portion	**1,008,486**	1,082,362
Current portion	**160,808**	133,098
	1,169,294	1,215,460

6 LEASES (Continued)

f. The contractual maturity analysis of the undiscounted cash flows of the lease liabilities is as follows:

	2023 RO	2022 RO
Upto 1 year	**231,186**	201,594
Between 1 year to 5 years	**621,994**	633,246
More than 5 years	**687,093**	813,339
	1,540,273	1,648,179

g. The amounts included in the statement of income relating to leases comprise:

	2023 RO	2022 RO
Depreciation	**178,490**	158,048
Interest on lease liabilities (note 21)	**72,753**	72,808
Lease rental concession (note 17)	**--**	56,343
Short term lease expense	**146,079**	163,003

h. The total cash outflow for long term leases amounted to RO 223,922 (2022 – RO 73,504).

7 INVENTORIES

	2023 RO	2022 RO
Raw materials	**1,369,219**	1,780,146
Finished goods	**1,181,944**	1,405,438
Packaging materials	**672,754**	733,984
Consumables and spares	**143,735**	134,073
Work in progress	**13,112**	20,601
Goods in transit	**314,295**	300,326
	3,695,059	4,374,568
Less: provision for slow and non-moving inventories [note b)]	**(141,878)**	(108,582)
	3,553,181	4,265,986

The following further notes apply:

At the end of the reporting period, finished goods represent 20 days of annual sales (2022 – 26 days of annual sales).

The movement in provision for slow and non-moving inventories during the year is as follows:

	2023 RO	2022 RO
At the beginning of the year	**108,582**	73,957
Provided during the year (note 16)	**60,497**	34,625
Written off during the year	**(27,201)**	--
At the end of the year	**141,878**	108,582

8 TRADE AND OTHER RECEIVABLES

	2023 RO	2022 RO
Trade receivables	**8,019,775**	6,686,018
Less: allowance for expected credit losses [note b)]	**(908,116)**	(673,202)
	7,111,659	6,012,816
Amounts due from related parties [note 14 c)]	**378**	625
Advance to suppliers	**129,525**	105,063
Prepayments	**28,824**	40,122
Deposits	**8,201**	36,603
Other receivables	**41,154**	72,094
	7,319,741	6,267,323

The following further notes apply:

a. Trade receivables are non-interest bearing and are generally on terms of 60 to 90 days credit (2022 – similar terms)

b. The movement in allowance for expected credit losses is as follows:

	2023 RO	2022 RO
At the beginning of the year	**673,202**	528,913
Established during the year (note 18)	**237,913**	144,289
Written off during the year	**(2,999)**	--
At the end of the year	**908,116**	673,202

c. The information about the credit exposure for trade receivables is detailed in note 28 b).

9 BANK BALANCES AND CASH

	2023 RO	2022 RO
Bank balances	**1,315,176**	658,341
Cash in hand	**7,028**	13,866
	1,322,204	672,207

10 SHARE CAPITAL

a. At the end of the reporting period, the authorized, issued and fully paid-up share capital of the Company is RO 2,000,000 comprising 20,000,000 shares of RO 0.100 each (2022 – share capital of RO 2,000,000 comprising 20,000,000 shares of RO 0.100 each).

b. Shareholders of the Company who own 10% or more of the Company's shares and the number of shares they hold at the end of the reporting period are as follows:

	2023		2022	
	Number of shares	% of holding	Number of shares	% of holding
Al Anwar Investments SAOG	4,975,701	24.88	4,975,701	24.88
Bhacker Suleiman Jaffer Company	2,748,825	13.74	2,748,825	13.74
Waleed Omar Abdul Munim Al Zawawi	2,012,725	10.06	2,012,725	10.06
Mohammed Abdul Hussain Bhacker Al Lawati	2,008,898	10.04	2,008,898	10.04

11 RESERVES

a. Share premium

Share premium relates to the amounts arising on account of a business combination when former Bausher Chemicals SAOG was merged with the Company in the year 2005.

b. 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.

c. Revaluation reserve

The revaluation reserve represents the excess of revalued amount over the cost arising on revaluation of land. At the end of the reporting period, the revaluation reserve is stated net of deferred tax liability of RO 1,922,162 (2022 – RO 1,922,162). The revaluation reserve is not available for distribution.

12 TRADE AND OTHER PAYABLES

	2023 RO	2022 RO
Trade payables	**2,942,888**	3,020,436
Amounts due to related parties [note 14 c)]	**28,749**	33,515
Accruals	**2,873,215**	2,335,299
Other payables	**646,078**	431,616
	6,490,930	5,820,866

13 BANK BORROWINGS

Bank borrowings at the end of the reporting period represent loan against trust receipt and short term loans which are obtained from local commercial banks in the Sultanate of Oman and carry interest at commercial rates. The interest rates are subject to re-negotiation with the banks upon renewal of the facilities, which generally takes place on an annual basis.

The facility agreements contain certain restrictive covenants which, if violated, could permit the bank to cancel or reduce the facilities or impose penal charges [note 28 d)].

14 RELATED PARTY TRANSACTIONS

The Company enters into transactions in the ordinary course of business with key management personnel (including Board of Directors), significant Shareholders (holding 10% or more interest in the Company) and entities in which the key management personnel / significant Shareholders of the Company have significant influence or control. These transactions are entered into on terms and conditions approved by the Management and Board of Directors and subject to Shareholders' approval at the Annual General Meeting.

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

	2023 RO	2022 RO
Revenue from contracts with customers	**750**	1,200
Cost of sales	**97,866**	285,800

b. The key management personnel compensation for the year comprises:

	2023 RO	2022 RO
Salaries and other related costs	**313,903**	210,844
Employees' end of service benefits and social security costs	**12,692**	10,326
Directors' meeting attendance fees (note 18)	**58,600**	69,100
	385,195	290,270

c. The amounts due from and due to related parties are unsecured, repayable on demand and not subject to interest (2022 – similar terms).

15 REVENUE FROM CONTRACTS WITH CUSTOMERS

	2023 RO	2022 RO
Local sales	**11,076,600**	8,982,823
Export sales	**10,104,027**	10,658,522
	21,180,627	19,641,345

Note:

In accordance with the disclosure requirements of IFRS 15, the Company presents its revenue net of expenses which are incidental to the revenue generation. These expenses are mainly in the nature of fixed rebates for distributors and hypermarket customers.

16 COST OF SALES

	2023 RO	2022 RO
Cost of materials consumed	**9,760,430**	10,756,717
Salaries and employee related costs [note 20 a)]	**2,003,987**	1,764,764
Freight and handling charges	**955,538**	1,055,548
Depreciation on property, plant and equipment [note 5 e)]	**575,340**	555,742
Utilities	**434,371**	453,633
Repairs and maintenance	**227,900**	200,203
Depreciation on right of use assets [note 6 c)]	**85,471**	86,970
Provision for slow and non-moving inventories [note 7 b)]	**60,497**	34,625
Other direct costs	**257,501**	204,780
	14,361,035	15,112,982

17 OTHER INCOME

	2023 RO	2022 RO
Gain on disposal of property, plant and equipment	**1,543**	48,947
Lease rental concession [note 6 g)]	**--**	56,343
Miscellaneous	**19,638**	2,271
	21,181	107,561

18 GENERAL AND ADMINISTRATION

	2023 RO	2022 RO
Salaries and employee related costs [note 20 a)]	**912,425**	720,846
Allowance for expected credit losses [note 8 c)]	**237,913**	144,289
Legal and professional	**110,333**	81,928
Repairs and maintenance	**104,638**	85,200
Depreciation on property, plant and equipment [note 5 e)]	**88,753**	86,076
Directors' meeting attendance fees [note 14 b)]	**58,600**	69,100
Communication	**38,773**	41,261
Travelling	**17,792**	4,012
Printing and stationery	**6,677**	5,976
Miscellaneous	**58,797**	54,905
	1,634,701	1,293,593

19 SELLING AND DISTRIBUTION

	2023 RO	2022 RO
Sales promotion and advertisement	**2,683,264**	2,162,389
Salaries and employee related costs [note 20 a)]	**852,926**	859,900
Depreciation on right-of-use assets [note 6 c)]	**93,019**	71,078
Miscellaneous	**505,064**	423,064
	4,134,273	3,516,431

20 SALARIES AND EMPLOYEE RELATED COSTS

a. Salaries and employee related costs are allocated as follows:

	2023 RO	2022 RO
Cost of sales (note 16)	**2,003,987**	1,764,764
General and administration (note 18)	**912,425**	720,846
Selling and distribution (note 19)	**852,926**	859,900
	3,769,338	3,345,510

b. Salaries and employee related costs include the following:

	2023 RO	2022 RO
Cost of end of service benefits for expatriate employees	**176,185**	95,419
Contributions to defined contributions retirement plan for Omani employees	**134,533**	138,091
	310,718	233,510

c. The movements in employees' end of service benefits liability recognised in the statement of financial position are as follows:

	2023 RO	2022 RO
At the beginning of the year	**627,939**	573,658
Expense for the year	**176,185**	95,419
Settled during the year	**(20,733)**	(41,138)
At the end of the year	**783,391**	627,939

21 FINANCE CHARGES

	2023 RO	2022 RO
Interest on bank borrowings	**227,337**	249,059
Interest on lease liabilities [note 6 g)]	**72,753**	72,808
	300,090	321,867

22 TAXATION

	2023 RO	2022 RO
Statement of income		
Current tax [note d)]	**206,412**	24,306
Prior year	**(3,071)**	--
Deferred tax credit [note e)]	**(89,151)**	(79,939)
	114,190	(55,633)
Statement of financial position		
Non-current liabilities		
Deferred tax liability [note e)]	**2,013,329**	2,102,480
Current liabilities		
Current year	**206,412**	24,306

The following further notes apply:

a. Tax is provided at 15% (2022 – 15%) on the profit for the year adjusted for taxation purposes.

b. During the year, the tax assessment for the year 2019 was finalised by the Tax Authority with no additional demand for tax.

c. The tax assessments for the years 2020 to 2022 have not been finalised by the Tax Authority. The Management believes that the tax assessed, if any, in respect of unassessed tax years would not be material to the Company's financial position at the end of the reporting period.

d. The reconciliation of tax on the accounting profit with the current tax charge in the financial statements is as follows:

	2023 RO	2022 RO
Tax on accounting profit / (loss)	**115,756**	(74,395)
Add tax effect of:		
Depreciation	**45,863**	41,666
Provision	**40,681**	26,837
Others	**4,112**	30,198
Current year tax charge	**206,412**	24,306

22 TAXATION (Continued)

e. The deferred tax liability and the deferred tax credit in the statement of comprehensive income is attributable to the following items:

	Accelerated tax depreciation RO	Revaluation of land RO	Provisions and others RO	Total RO
At 31 December 2021	350,688	1,922,162	(90,431)	2,182,419
Credited to the statement of income	(45,999)	--	(33,940)	(79,939)
At 31 December 2022	304,689	1,922,162	(124,371)	2,102,480
At 31 December 2022	**304,689**	**1,922,162**	**(124,371)**	**2,102,480**
Credited to the statement of income	**(44,821)**	**--**	**(44,330)**	**(89,151)**
At 31 December 2023	**259,868**	**1,922,162**	**(168,701)**	**2,013,329**

23 BASIC EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit / (loss) for the year by the weighted average number of shares outstanding during the year as follows:

	2023	2022
Net profit / (loss) for the year (in RO)	**657,519**	(440,334)
Weighted average number of shares in issue during the year	**20,000,000**	20,000,000
Basic earnings per share (in RO)	**0.033**	(0.022)

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

24 NET ASSETS PER SHARE

Net assets per share is calculated by dividing the net assets at the end of the reporting period by the number of shares outstanding as follows:

	2023	2022
Net assets (in RO)	**16,713,801**	16,056,282
Number of shares outstanding	**20,000,000**	20,000,000
Net assets per share (in RO)	**0.836**	0.803

25 COMMITMENTS

At the end of the reporting period, the Company had the following outstanding commitments in the normal course of business:

	2023 RO	2022 RO
Purchase commitments	**1,705,633**	1,265,878
Capital commitments	**79,696**	55,020
	1,785,329	1,320,898

26 CONTINGENCIES

a. At the end of the reporting period, the Company has issued bank guarantees amounting to RO 150,001 in the ordinary course of business (2022 – RO 161,396).

b. As of 31 December 2023, there are labour dispute cases outstanding against the Company which is currently ongoing in Primary and Appeal courts. Although the Management has established provision for the estimated claim at the end of the reporting period, the ultimate outcome of the claim cannot be determined accurately.

The Company believes these claims can be successfully defended based on discussion with the legal consultants, and the probability of any material additional liability on the Company is remote.

27 OPERATING SEGMENTS

The Management identifies operating segments based on a business perspective. The following summary describes the operations in the Company's reportable segments.

Consumer division

Consumer division which includes manufacture and sale of detergents, liquid soaps, and home care products. The Board has considered the segment on the basis of the products sold and transfer of risk and reward to the customers.

Other business division

Other business division which includes sulphonation division and industrial and institutional products division are not separately reportable and has been grouped as other division. The two business divisions have been aggregated given the similar nature of the products and the production processes.

Performance is measured based on profitability earned, as included in the internal management reports that are reviewed by the Board of Directors. For the purpose of allocating resources between segments the Board of Directors monitors the assets attributable to each segment. All assets are allocated to reportable segments except for certain receivables and cash and cash equivalents. Assets used jointly by reportable segments are allocated based on the revenue earned by individual reportable segments. There is no inter-segment revenue.

Information regarding the results of each reportable segment is set out on page 35.

28 FINANCIAL RISK AND CAPITAL MANAGEMENT

The Company's activities expose it to various financial risks, primarily being, market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The risk management is carried out internally in accordance with the approval of the Board of Directors.

a. Market risk

Currency risk

The Company is exposed to foreign exchange risk arising from currency exposure primarily with respect to US Dollar, UAE Dirham, Saudi Riyals, Bahraini Dinars, Qatari Riyals, Euro and GBP. As majority of the financial assets and liabilities are either denominated in Rial Omani or currencies pegged against Rial Omani, the Management does not believe that the Company is exposed to any material currency risk. The exposure to Euro and GBP currency was not material to the Company's financial position at the end of the reporting period.

28 FINANCIAL RISK AND CAPITAL MANAGEMENT (Continued)

Currency risk (Continued)

At the end of the reporting period, bank balances amounting to RO 182,899 (2022 – RO 142,171), trade receivables amounting to RO 3,643,341 (2022 – RO 3,308,687) and trade payables amounting to RO 1,480,783 (2022 – RO 1,141,612) are denominated in foreign currencies.

Interest rate risk

The Company is exposed to interest rate risk on its interest-bearing liabilities, bank borrowings. The Company manages its exposure to interest rate risk by ensuring that significant borrowings are on a fixed rate basis. Additionally, the Company borrows at interest rates on commercial terms and constantly monitors the changes in interest rates and avails lower interest-bearing facilities.

For every 0.5% change in interest rate, the impact on the statement of comprehensive income will approximate to RO 14,906 (2022 – RO 20,000) based on the level of financial liabilities at the end of the reporting period.

b. Credit risk

Trade receivables

Credit risk primarily arises from credit exposures to customers, including outstanding receivables and committed transactions. The Company has a credit policy in place and exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount.

The carrying value of trade receivables approximate their fair values due to the short-term nature of those receivables. 38% (2022 – 43%) of the trade receivables from export customers are secured against bank guarantees and Export Credit Guarantee Agency cover.

Expected credit losses (ECL)

The Company applies the IFRS 9 simplified approach to measuring ECL which uses a lifetime expected loss allowance for all trade receivables. To measure the ECL, the Company uses the flow-rate method for trade receivables. The flow-rate method is based on the probability of a receivable progressing through successive stages of delinquency to write-off. Flow rates are calculated separately for exposures in different segments based on the common credit risk characteristics.

The Company derives its expected credit loss rates using a payment profile of sales and the corresponding historical credit losses experienced within this period.

28 FINANCIAL RISK AND CAPITAL MANAGEMENT (Continued)

b. Credit risk (Continued)

The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. On that basis, the loss allowance was determined as follows for trade receivables:

Year 2023	Trade receivables	Expected loss rate	Loss allowance
	RO	%	RO
0 - 90 days	**4,782,298**	**0.41**	**19,394**
91 – 120 days	**1,243,195**	**1.49**	**18,561**
121 – 150 days	**640,898**	**2.88**	**18,467**
151 – 180 days	**249,962**	**7.46**	**18,637**
181 – 210 days	**121,631**	**16.64**	**20,238**
211 days and above	**981,791**	**82.79**	**812,819**
	8,019,775	**-**	**908,116**

Year 2022	Trade receivables	Expected loss rate	Loss allowance
	RO	%	RO
0 - 90 days	4,111,452	0.56	22,847
91 – 120 days	918,342	2.43	22,349
121 – 150 days	520,958	4.83	25,150
151 – 180 days	279,497	6.27	17,529
181 – 210 days	190,707	14.17	27,025
211 days and above	665,062	83.95	558,302
	6,686,018	-	673,202

ECL on other receivables has not been provided as the amounts involved are not considered to be material.

Amounts due from related parties

Amounts due from related parties are expected to have low credit risk. Accordingly, no expected credit losses on such dues have been provided.

Bank balances

Credit risk from bank balances maintained in current accounts with local commercial banks are managed by ensuring balances are maintained with reputed banks only. The ECL on bank balances are not expected to be material to the Company's financial position at the end of the reporting year and have accordingly not been provided.

c. Liquidity risk

The Company maintains sufficient bank balances to meet its obligations as they fall due for payment and is therefore not subject to significant liquidity risk. Therefore, the Management believes it is not subject to significant liquidity risk.

The maturity analysis in respect of the leases has been provided in note 6 f). All other financial liabilities are repayable within 6 months from the end of the reporting period.

28 FINANCIAL RISK AND CAPITAL MANAGEMENT (Continued)

d. Capital management

The Company's objectives when managing capital are:

- to safeguard its ability to continue as a going concern, so that it can continue to provide returns for Shareholders and benefits for other stakeholders, and
- to provide an adequate return to Shareholders by pricing services and goods commensurate with the level of risk.

The Company sets capital in proportion to risk and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to the Shareholders, return capital to Shareholders or raise additional capital.

In the context of managing capital, the Company has also covenanted with banks providing external debt to maintain specified ratios. At the end of the reporting period, the Management believes the Company is in material compliance with the covenants.

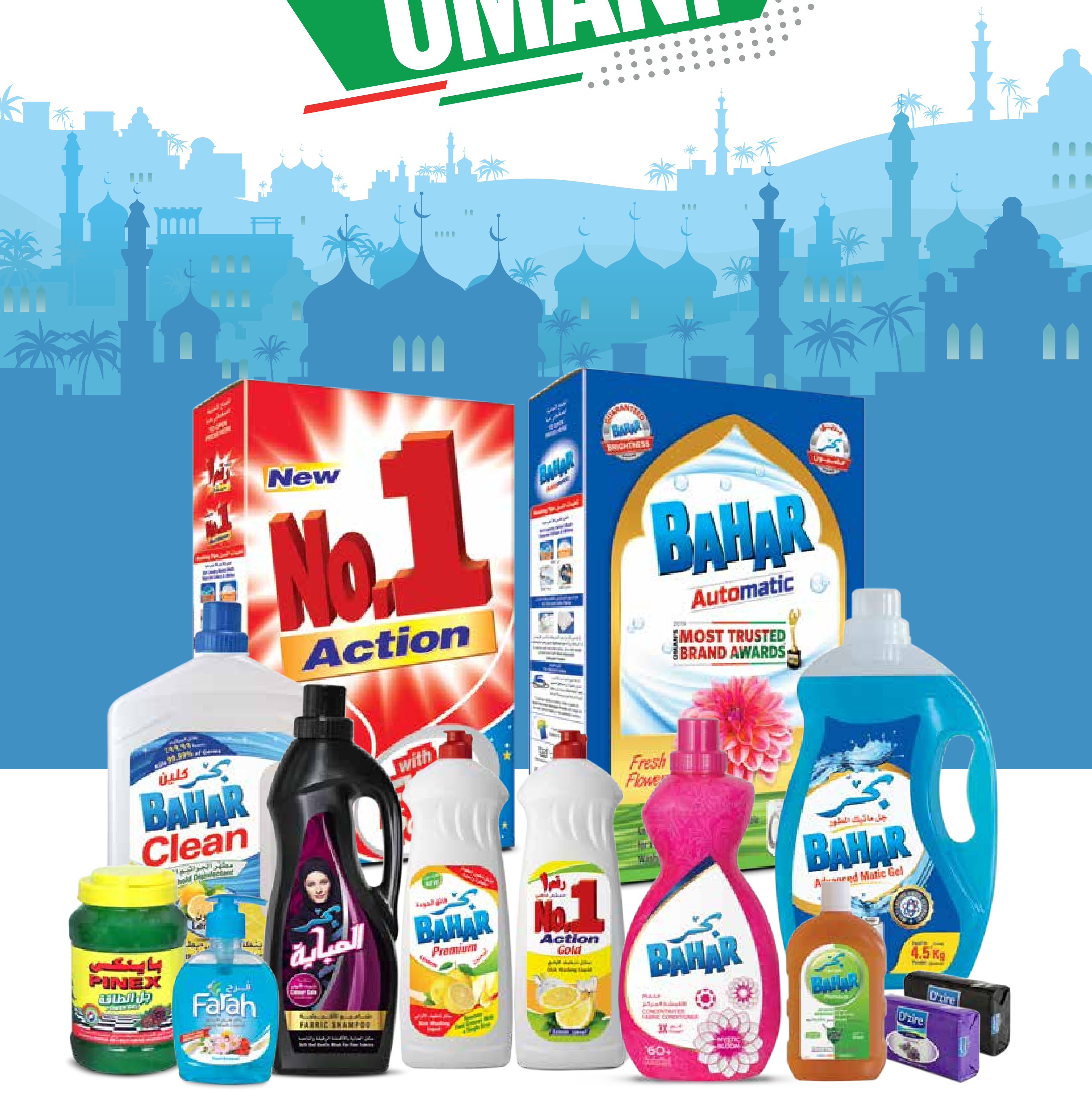
29 PROPOSED DIVIDEND

Subsequent to the end of the reporting period, the Board of Directors of the Company, in its meeting held on 25 February 2024, has proposed a cash dividend of 25 baisa per share for the year ended 31 December 2023 (2022 – stock dividend of 17.561 shares for every 100 shares), which is subject to the approval of the Shareholders at the forthcoming Annual General Meeting.

30 COMPARATIVES

Comparative figures have been reclassified, wherever necessary, to conform to the presentation adopted in these financial statements for the current year.

100% OMANI



صُنع في عُمان
Made in OMAN