

Sahara Hospitality Company SAOG

**Financial Statements
30 November 2024**

Registered office and principal place of business:

P O Box 311
Postal Code 100, Muscat
Sultanate of Oman

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
SAHARA HOSPITALITY COMPANY SAOG*****Report on the Audit of the Financial Statements*****Opinion**

We have audited the accompanying financial statements of Sahara Hospitality Company SAOG, set out on pages 5 to 29, which comprise the statement of financial position as at 30 November 2024, and the statement of comprehensive income, statement of changes in equity, 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 30 November 2024 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, 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.

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

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

The trade receivables amounting to RO 5,941,313 (net of allowance for ECL) represents 18% of the total assets and is significant to the Company as on 30 November 2024. Under the current market conditions, credit risk has generally risen resulting in high degree of estimation uncertainty for collectability of the trade receivables. Accordingly, we have considered the estimation of allowance for ECL and impairment of trade receivables as a key audit matter.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
SAHARA HOSPITALITY COMPANY SAOG (Continued)**

Key Audit Matters (Continued)

a) 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 material trade receivables and past due debts, assessing the recoverability status by obtaining independent balance confirmations, reviewing historic trends and testing subsequent receipts;
- Examining the status of ongoing legal cases against customers with overdue balances and considering the impact, if any, on the allowance for credit losses required; and
- Considering adequacy and appropriateness of related disclosures.

The additional information regarding the allowance for ECL and impairment of trade receivables is set out in notes 8 and 26 b) to the financial statements.

b) Related party transactions

Since the Company has significant related party transactions, there is a risk of misstatement, non – identification / disclosure of transactions. Accordingly, we believe that related party transactions are a significant risk area and a key audit matter.

Our audit procedures to address the above risk included:

- Evaluating the appropriateness of management's process for identifying and recording related party transactions;
- Verifying contracts and agreements with related parties to understand the nature of transactions;
- Throughout the performance of audit procedures, we remained alert for any related party transactions outside the normal course of business;
- Analytical review of transactions with prior periods in order to observe unjustified variances in terms and conditions; and
- Obtaining confirmations for balances outstanding at the end of the reporting period.

The disclosures regarding transactions with related parties are detailed under note 19 to the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SAHARA HOSPITALITY COMPANY SAOG (Continued)

Other information

The Management and the Board of Directors are responsible for other information. The other information comprises the Board of Directors' 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 Financial Services Authority and for such internal control as management determines 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 is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with 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.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
SAHARA HOSPITALITY COMPANY SAOG (Continued)**

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

- 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.

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 Financial Services Authority.

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

19 January 2025

Raman Moore Stephens

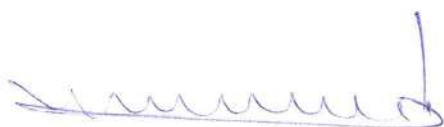


Sahara Hospitality Company SAOG
Financial statements for the year ended 30 November 2024

Statement of financial position

	Note	2024 RO	2023 RO
ASSETS			
Non-current assets			
Property and equipment	5	14,643,078	15,111,532
Right of use assets	6 b)	20,634	41,250
Total non-current assets		14,663,712	15,152,782
Current assets			
Inventories	4 d)	39,411	28,573
Amounts due from a related party	19 e)	41,091	70,967
Trade and other receivables	8	6,200,903	5,036,901
Short term deposits	7	9,299,131	7,000,000
Bank balances and cash	9	2,068,792	3,806,532
Total current assets		17,649,328	15,942,973
Total assets		32,313,040	31,095,755
EQUITY AND LIABILITIES			
Equity			
Share capital	10	7,923,300	7,923,300
Legal reserve	11	2,641,100	2,641,100
Retained earnings		18,077,561	17,168,186
Total equity		28,641,961	27,732,586
LIABILITIES			
Non-current liabilities			
Non-current portion of lease liabilities	6 c)	--	23,347
Deferred tax liability	22	388,745	182,906
Employees' end of service benefits	17 a)	23,706	19,259
Total non-current liabilities		412,451	225,512
Current liabilities			
Current portion of lease liabilities	6 c)	23,347	22,182
Trade and other payables	12	590,350	645,778
Amounts due to related parties	19 f)	2,341,012	2,051,040
Taxation	22	303,919	418,657
Total current liabilities		3,258,628	3,137,657
Total liabilities		3,671,079	3,363,169
Total equity and liabilities		32,313,040	31,095,755
Net assets per share	20	3.615	3.500

These financial statements were authorized for issue and approved by the Board of Directors on 19 / 01 / 2025 and were signed on their behalf by:



Deputy Chairman



Director

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

Sahara Hospitality Company SAOG
Financial statements for the year ended 30 November 2024

Statement of comprehensive income

	Note	2024 RO	2023 RO
INCOME			
Revenue from contract with customers	14	13,326,453	11,814,025
Direct costs	15	(9,856,480)	(8,572,818)
Gross profit		3,469,973	3,241,207
Other income	16	460,497	285,845
		3,930,470	3,527,052
EXPENSES			
General and administration	17	523,374	504,009
Finance charges	18	7,138	8,456
		530,512	512,465
Profit before taxation		3,399,958	3,014,587
Taxation	22	(509,758)	(452,120)
Net profit and total comprehensive income for the year		2,890,200	2,562,467
Basic earnings per share	21	0.365	0.323

Note: The Company has no items of other comprehensive income.

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

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Financial statements for the year ended 30 November 2024

Statement of changes in equity

	Share capital RO (note 10)	Legal reserve RO (note 11)	Retained earnings RO	Total RO
At 30 November 2022	7,923,300	2,641,100	16,586,544	27,150,944
Net profit and total comprehensive income for the year	--	--	2,562,467	2,562,467
Dividend paid [note 23 b)]	--	--	(1,980,825)	(1,980,825)
At 30 November 2023	7,923,300	2,641,100	17,168,186	27,732,586
At 30 November 2023	7,923,300	2,641,100	17,168,186	27,732,586
Net profit and total comprehensive income for the year	--	--	2,890,200	2,890,200
Dividend paid [note 23 b)]	--	--	(1,980,825)	(1,980,825)
At 30 November 2024	7,923,300	2,641,100	18,077,561	28,641,961

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

Sahara Hospitality Company SAOG

Financial statements for the year ended 30 November 2024

Statement of cash flows

	2024 RO	2023 RO
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year before taxation	3,399,958	3,014,587
<i>Adjustments for:</i>		
Allowance for expected credit losses (net)	(9,691)	(46,905)
Depreciation on property and equipment	1,102,220	1,035,460
Depreciation on right of use assets	20,616	20,616
Interest on lease liabilities	1,818	2,925
Interest on short term deposits	(443,957)	(234,897)
Employees' end of service benefits	4,447	3,001
Operating profit before working capital changes	4,075,411	3,794,787
<i>Working capital changes:</i>		
Inventories	(10,838)	(3,929)
Related party balances	319,848	830,311
Trade and other receivables	(1,154,311)	859,738
Trade and other payables	(55,428)	154,731
Net cash generated from operations	3,174,682	5,635,638
Tax paid	(418,657)	(438,018)
Net cash generated from operating activities	2,756,025	5,197,620
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property and equipment	(633,766)	(1,518,991)
Placement of short term deposits	(2,299,131)	(2,000,000)
Interest on short term deposits	443,957	327,144
Net cash used in investing activities	(2,488,940)	(3,191,847)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend payment	(1,980,825)	(1,980,825)
Lease liabilities paid	(24,000)	(24,000)
Net cash used in financing activities	(2,004,825)	(2,004,825)
Net (decrease) / increase in cash and cash equivalents during the year	(1,737,740)	948
Cash and cash equivalents at the beginning of the year	3,806,532	3,805,584
Cash and cash equivalents at the end of the year	2,068,792	3,806,532

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

Sahara Hospitality Company SAOG

Financial statements for the year ended 30 November 2024

Notes to the financial statements

1 LEGAL STATUS AND PRINCIPAL ACTIVITIES

Sahara Hospitality Company SAOG ("the Company") is a public joint stock company and its principal activity is to build, own and operate permanent accommodations ("the PACs") for contractors of Petroleum Development Oman LLC ("PDO") in Fahud and Nimr. PDO is committed under an agreement with the Company dated 30 May 1998 to provide land free of cost on which the PACs are situated.

During the year 2012, the Company was awarded a contract for renovation, operation and maintenance of PDO Rima Camp that consists of 142 rooms and other required facilities by variation to an existing contract on the same terms and conditions for a period of 20 years.

The PACs are operated, in accordance with the terms and conditions of a service agreement dated 24 July 1999 as amended on 20 June 2012 ("the Contract"), by a related party, Catering and Supplies Company LLC ("CSC"). Under the terms of the Contract, CSC operates the PACs in return for agreed rates (refer notes 15 and 19). The Contract provides that CSC will indemnify the Company in respect of any penalties payable by the Company arising due to CSC's failure to provide the services prescribed therein.

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) and the relevant requirements of the Commercial Companies Law of the Sultanate of Oman and the relevant disclosure requirements issued by the Financial Services Authority.

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 December 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 any 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.

Sahara Hospitality Company SAOG

Financial statements for the year ended 30 November 2024

Notes to the financial statements

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

2.2 New and amended IFRS adopted by the Company (Continued)

- 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.

2.3 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.
- Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures' (Classification and measurement requirements of financial instruments).
- IFRS 18 'Presentation and Disclosure in Financial Statements' replaces IAS 1 'Presentation of Financial Statements'. The new requirements on presentation and disclosure will provide information to better understand Company's financial performance, improve labelling, aggregation and disaggregation of information and disclosure of management-defined performance measures in the financial statements.

Except for the adoption of IFRS 18, the Management believes the adoption of the other 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.

Sahara Hospitality Company SAOG

Financial statements for the year ended 30 November 2024

Notes to the financial statements

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. 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 effected. In particular, estimates that involve uncertainties and judgements which have significant effect on the financial statements include the following:

- *Allowance for expected credit losses (ECLs)*

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 ECLs, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 3 years and the corresponding historical credit losses experienced within this period.

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 default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between default rates, forecast economic conditions and ECLs require the use of estimates. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of the 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 bank balances is provided if the amount is deemed material.

- *Estimated useful lives of property and equipment*

The estimation of useful lives of property and equipment is based on Management's assessment of various factors such as the expected usage of the asset, physical wear and tear and legal limits on the use of assets.

- *Estimation of lease term and right of use asset*

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.

- *Impairment of non-financial assets*

At the end of the reporting period, the Management assessed if there any indicators of impairment of non-financial assets (property 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 Management has concluded based on assessment of available evidence, that impairment has not arisen in the carrying values of property and equipment and right of use assets at the end of the reporting period.

Sahara Hospitality Company SAOG

Financial statements for the year ended 30 November 2024

Notes to the financial statements

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

The financial statements have been prepared under the historical cost convention.

b) Revenue from contract with customers

Revenue from contract with customers represents the invoiced value of services rendered and goods supplied during the year, net of discounts. Revenue is recognized from the sale of goods and rendering of services when control of the goods or services is transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods and services. Revenue is not recognized if there are significant uncertainties regarding the recovery of consideration due or associated costs.

c) Property and equipment

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

Items of property 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 derecognition of the asset is included in the statement of income in the year the item is derecognized.

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

	Years
Buildings	30
Equipment	15
Furniture and fixtures	7
Vehicles	5
Pre-fabricated buildings	7

Capital work-in-progress:

Capital work-in-progress is stated at cost and includes all expenditures incurred on design work and costs directly attributable to the project engineering, procurement and construction / installation until such time the assets are put to use, when these will be allocated to property and equipment. Capital work-in-progress is not depreciated.

d) Inventories

Inventories are measured at the lower of cost and net realisable value. Net realizable value is a price at which inventories can be sold in the normal course of business after allowing for the costs of realization. Cost includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition and is determined on first in first out basis.

Sahara Hospitality Company SAOG

Financial statements for the year ended 30 November 2024

Notes to the financial statements

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

e) Trade and other receivables

Trade receivables are amounts due from customers for goods sold and services rendered 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 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.

f) Financial assets

Initial recognition

The Company's financial assets comprise trade and other receivables, amounts due from a related party and 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. 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.

Subsequent measurement

The subsequent measurement of financial assets across the various categories are analyzed as follows:

Financial assets at amortised cost:

The Company measures financial assets at amortised cost if both 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 from financial assets, if any, 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.

g) Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents comprise bank balances and cash.

Sahara Hospitality Company SAOG

Financial statements for the year ended 30 November 2024

Notes to the financial statements

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

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 recognizes 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). 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.

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Notes to the financial statements

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

i) Leases

The Company leases its office premises under a leasing arrangement. 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.

Leases are recognised as a right of use asset and a corresponding liability 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 finance cost. The finance 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 liability
- 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 asset is 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.

j) 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 year 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.

Sahara Hospitality Company SAOG

Financial statements for the year ended 30 November 2024

Notes to the financial statements

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

k) Employees' end of service benefits

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

l) Trade and other payables

Liabilities are recognized for amounts payable for goods and services received, whether or not billed to the Company.

m) Financial liabilities

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

n) Provisions

A provision is recognized in the statement of financial position where 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.

o) Operating segment

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses and whose operating results are regularly reviewed by the Board of Directors to make decisions about resources to be allocated to the segment and assess its performance. The Company has a single reportable segment.

p) Dividend

The Board of Directors recommends to the Shareholders the dividend to be paid out of the Company's profits. The Directors take into account appropriate parameters including the requirements of the Commercial Companies Law of the Sultanate of Oman, and other relevant directives issued by FSA while recommending the dividend.

Dividend distribution to the Shareholders is recognized as a liability in the Company's financial statements only in the year in which the dividends are approved by the Shareholders.

q) Directors' remuneration

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

Sahara Hospitality Company SAOG

Financial statements for the year ended 30 November 2024

Notes to the financial statements

5 PROPERTY AND EQUIPMENT

- a) The movements of property and equipment during the years 2024 and 2023 are set out on pages 28 and 29 respectively.
- b) The buildings are constructed on land belonging to PDO in Fahud and Nimr. PDO is committed, under an agreement as mentioned in note 1, to provide land free of cost on which the buildings (PACs) are situated.

6 LEASES

- a) The Company has entered into leasing arrangement for the office premises and the lease term is 6 years.
- b) The movement in right of use assets during the year is as follows:

	2024 RO	2023 RO
At the beginning of the year	41,250	61,866
Depreciation for the year [note f)]	(20,616)	(20,616)
At the end of the year	20,634	41,250

- c) At the end of the reporting period, lease liabilities are analysed as follows:

	2024 RO	2023 RO
Non-current portion	--	23,347
Current portion	23,347	22,182
	23,347	45,529

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

	2024 RO	2023 RO
At the beginning of the year	45,529	66,604
Interest on lease liabilities expensed [note f)]	1,818	2,925
Paid during the year	(24,000)	(24,000)
At the end of the year	23,347	45,529

- e) The contractual maturity analysis of the undiscounted cash flows of the lease liabilities is as follows:

	2024 RO	2023 RO
Upto 1 year	24,000	24,000
Between 1 year to 5 years	--	24,000
	24,000	48,000

Sahara Hospitality Company SAOG

Financial statements for the year ended 30 November 2024

Notes to the financial statements

6 LEASES (Continued)

f) The amounts included in the statement of income relating to leases comprise:

	2024 RO	2023 RO
Depreciation (note 17)	20,616	20,616
Interest on lease liabilities (note 18)	1,818	2,925

g) The total cash outflow for leases amounted to RO 24,000 (2023 – RO 24,000).

7 SHORT TERM DEPOSITS

The short-term deposits are placed with local commercial banks and carry interest at commercial rates prevailing in the Sultanate of Oman. The entire amount has been classified under current assets as the maturity periods of the deposits are within the next 12 months. The fair values of these deposits are not significantly different from their carrying amounts.

8 TRADE AND OTHER RECEIVABLES

	2024 RO	2023 RO
Trade receivables (gross)	6,657,397	6,667,156
Less: allowance for expected credit losses [refer note a) below]	(716,084)	(1,898,881)
Trade receivables (net)	5,941,313	4,768,275
Accrued interest	234,225	210,465
Other receivables	25,365	58,161
	6,200,903	5,036,901

The following further notes apply:

a) The movement in allowance for expected credit losses is given below:

	2024 RO	2023 RO
At the beginning of the year	1,898,881	1,949,829
Written back during the year (note 16)	(16,540)	(50,948)
Written off during the year	(1,166,257)	--
At the end of the year	716,084	1,898,881

b) Trade receivables are unsecured, non-interest bearing and are generally on terms of 30 days credit (2023 – same terms).

c) The information about the credit exposure for trade receivables is detailed in note 26 b).

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9 BANK BALANCES AND CASH

	2024 RO	2023 RO
Bank balances	2,068,667	3,806,407
Cash in hand	125	125
	2,068,792	3,806,532

The following further note applies:

Bank balances include call deposits amounting to RO 6,067 (2023 – nil) placed with a local commercial bank and carry an interest rate of 4.5% per annum (2023 – nil).

10 SHARE CAPITAL

- a) The authorised share capital of the Company comprises 10,000,000 ordinary shares of RO 1 each (2023 – 10,000,000 ordinary shares of RO 1 each). The issued and fully paid-up share capital is RO 7,923,300 (2023 – RO 7,923,300) comprising 7,923,300 shares of RO 1 each (2023 – 7,923,300 shares of RO 1 each).
- b) At the end of the reporting period, shareholders who own 10% or more of the Company's share capital are as follows:

	2024 Number of shares	2024 %	2023 Number of shares	2023 %
Alawi Enterprises LLC	1,584,660	20.00	1,584,660	20.00
Catering and Supplies Company LLC	1,584,660	20.00	1,584,660	20.00
Chatron Commercial Corporation	1,334,742	16.85	1,334,742	16.85
Azan Qais Abdulmunim Al Zawawi	1,001,104	12.63	1,001,104	12.63

11 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 is to be 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 utilised to set off against any accumulated losses or to increase the Company's share capital by issuing shares. During the year, no transfer has been made to the legal reserve as the reserve has reached the statutory minimum of one third of the share capital.

12 TRADE AND OTHER PAYABLES

	2024 RO	2023 RO
Trade payables	155,540	260,775
Proposed Directors' remuneration (see note below)	131,265	114,016
Accruals	266,611	254,126
Other payables	36,934	16,861
	590,350	645,778

The following further note applies:

The proposed Directors' remuneration is subject to approval at the forthcoming Annual General Meeting.

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Notes to the financial statements

13 BANK BORROWINGS

The Company has approved credit facilities arranged from a commercial bank in the Sultanate of Oman which carries interest at commercial rates when availed. The interest rates on bank borrowings are subject to re-negotiation with the banks upon renewal of the facilities, which generally takes place on an annual basis. The borrowings and other facilities are secured by assignment of receivables from Petroleum Development Oman (PDO) under the PAC contracts and insurance policies and negative pledge over certain buildings in Fahud and Nimr.

14 REVENUE FROM CONTRACT WITH CUSTOMERS

	2024 RO	2023 RO
Accommodation revenue	5,366,611	4,886,017
Food and beverages revenue	6,179,987	5,374,221
Other services revenue	1,779,855	1,553,787
	<u>13,326,453</u>	<u>11,814,025</u>

	2024 RO	2023 RO
Revenue from services transferred to customers over a period of time	7,018,136	6,323,142
Revenue from goods and services transferred to customers at a point in time	6,308,317	5,490,883
	<u>13,326,453</u>	<u>11,814,025</u>

Geographical sales:

	2024 RO	2023 RO
PAC in Fahud	5,406,649	4,636,602
PAC in Nimr	6,611,513	5,873,474
PAC in Rima	1,308,291	1,303,949
	<u>13,326,453</u>	<u>11,814,025</u>

15 DIRECT COSTS

	2024 RO	2023 RO
Cost of provision of services by related parties (note 1)	8,374,823	7,115,564
Depreciation (note 5)	1,102,220	1,035,460
Other costs	379,437	421,794
	<u>9,856,480</u>	<u>8,572,818</u>

16 OTHER INCOME

	2024 RO	2023 RO
Interest on short term deposits	443,957	234,897
Allowance for expected credit losses written back [note 8 a)]	16,540	50,948
	<u>460,497</u>	<u>285,845</u>

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17 GENERAL AND ADMINISTRATION

	2024 RO	2023 RO
Repairs and maintenance	132,174	152,676
Directors' remuneration (note 12)	131,265	114,016
Office services	97,600	81,600
Salaries and related expenses	70,967	68,470
Insurance	22,730	23,841
Depreciation on right of use assets [note 6 f)]	20,616	20,616
Legal and professional charges	11,950	9,059
Allowance for expected credit losses on amounts due from related parties [note 19 e)]	6,849	4,043
Miscellaneous	29,223	29,688
	523,374	504,009

The following note applies:

a) The movements in expatriate employees' end of service benefits during the year are as follows:

	2024 RO	2023 RO
At the beginning of the year	19,259	16,258
Expense for the year	4,447	3,001
At the end of the year	23,706	19,259

18 FINANCE CHARGES

	2024 RO	2023 RO
Bank charges	5,320	5,531
Interest on lease liabilities [note 6 f)]	1,818	2,925
	7,138	8,456

19 RELATED PARTY TRANSACTIONS

The Company has entered into transactions with certain Shareholders or with companies over which certain Directors and Shareholders are able to exercise significant influence or control.

Costs for provision of services for the operation of the PACs, which are payable to a related party, are determined based on contractually agreed terms (see note 1). Additionally, the Company and CSC share the profits from beverages sales at the PACs equally.

The terms and conditions of the transactions are approved by the Management and the Board of Directors and are subject to Shareholders' approval at the forthcoming Annual General Meeting.

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19 RELATED PARTY TRANSACTIONS (Continued)

- a) The nature and volume of significant transactions with related parties during the year is as follows:

	2024 RO	2023 RO
<i>Transactions with Shareholders holding 10% or more interest in the Company</i>		
Services rendered and recharged	8,370,525	7,171,523
Direct costs – others	11,590	70,583
General and administration expenses – office rent	24,000	24,000
General and administration expenses – others	93,724	87,512
Payments made on behalf of a related party	589,887	531,914
<i>Transactions with other related parties</i>		
Direct costs – others	167,962	152,074
Revenue from contract with customers	18,037	104,072

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

	2024 RO	2023 RO
Directors' remuneration (notes 12 and 17)	131,265	114,016

- c) The Directors' remuneration is subject to Shareholders' approval at the forthcoming Annual General Meeting.
- d) The amounts due from a related party and due to related parties are interest free, unsecured and repayable on demand (2023 – similar terms and conditions).
- e) The amounts due from a related party is as follows:

	2024 RO	2023 RO
<i>Other related parties</i>		
Carillion Alawi LLC	76,707	99,734
Allowance for expected credit losses (refer note below)	(35,616)	(28,767)
	41,091	70,967

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

	2024 RO	2023 RO
At the beginning of the year	28,767	24,724
Provided during the year (note 17)	6,849	4,043
At the end of the year	35,616	28,767

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Notes to the financial statements

19 RELATED PARTY TRANSACTIONS (Continued)

f) The amounts due to related parties are as follows:

	2024 RO	2023 RO
<i>Shareholders holding 10% or more interest in the Company</i>		
Catering and Supplies Company LLC	2,284,837	1,998,542
<i>Other related parties</i>		
Marketing and Services Company LLC	56,175	52,498
	<u>2,341,012</u>	<u>2,051,040</u>

20 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:

	2024	2023
Net assets (RO)	28,641,961	27,732,586
Number of shares outstanding	7,923,300	7,923,300
Net assets per share (RO)	<u>3.615</u>	<u>3.500</u>

21 BASIC EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit for the year after taxation by the weighted average number of shares outstanding during the year as follows:

	2024	2023
Net profit for the year (RO)	2,890,200	2,562,467
Weighted average number of shares outstanding during the year	7,923,300	7,923,300
Basic earnings per share (RO)	<u>0.365</u>	<u>0.323</u>

22 TAXATION

	2024 RO	2023 RO
<i>Statement of income</i>		
Current year [note c)]	303,919	418,657
Deferred tax charge [note d)]	205,839	33,463
	<u>509,758</u>	<u>452,120</u>
<i>Statement of financial position</i>		
<i>Current liability</i>		
Current year [note c)]	303,919	418,657
<i>Non-current liability</i>		
Deferred tax liability [note d)]	388,745	182,906

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Notes to the financial statements

22 TAXATION (Continued)

The following further notes apply:

- a) The Company is subject to income tax at 15% (2023 - 15%) of taxable income.
- b) The Company's income tax assessments for tax years 2021 to 2023 have not been finalised by the Tax Authority. The Management believes that any additional tax liability likely to arise on the completion of the assessments for the above years would not be material to the financial position of the Company at the end of the reporting period.
- c) The reconciliation of tax on the accounting profit with the tax charge for the year is as follows:

	2024 RO	2023 RO
Tax charge on accounting profit at applicable rate:	509,994	452,188
Add / (less) tax effect of:		
Depreciation	(29,447)	(26,425)
Provisions	(176,392)	(7,036)
Others	(236)	(70)
Income tax expense	303,919	418,657

- d) The deferred tax liability and the deferred tax charge in the statement of income is attributable to the following items:

	Accelerated tax depreciation RO	Provisions RO	Total RO
At 30 November 2023	472,052	(289,146)	182,906
Charged to the statement of income	29,447	176,392	205,839
At 30 November 2024	501,499	(112,754)	388,745
At 30 November 2022	445,626	(296,183)	149,443
Charged to the statement of income	26,426	7,037	33,463
At 30 November 2023	472,052	(289,146)	182,906

23 DIVIDENDS

- a) Subsequent to the end of the reporting period, the Board of Directors in its meeting held on 19 January 2025 has proposed a cash dividend of 250 baizas per share amounting to RO 1,980,825 for the year 2024, which is subject to the approval of the Shareholders at the forthcoming annual general meeting to be held on 24 February 2025.
- b) During the year, the proposed cash dividend of 250 baizas per share amounting to RO 1,980,825 for the year 2023 was approved at the Annual General Meeting held on 26 February 2024. The dividend was paid during the year.

Sahara Hospitality Company SAOG

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24 COMMITMENTS

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

	2024 RO	2023 RO
Capital commitments	97,604	376,574

25 OPERATING SEGMENT

The Company operates in only one reportable segment within the geographical segment of Sultanate of Oman, that of hospitality. All relevant information relating to the operating segment is disclosed in the statement of income, statement of financial position and notes to the financial statements.

26 FINANCIAL RISK AND CAPITAL MANAGEMENT

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

a) Interest rate risk

The Company is exposed to interest rate risk on its interest-bearing assets (short term deposits and call deposits). The interest rate risk is managed by constantly monitoring the changes in interest rates. The short-term deposits are at fixed interest rates. As the Company does not have any significant floating rate interest-bearing assets and liabilities, the Company's income and operating cash flows are substantially independent of changes in market interest rates.

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 and other receivables approximate their fair values due to the short-term nature of those receivables. The credit exposure of trade receivables is further analysed as follows:

- 63% of the Company's trade receivables are due from 10 customers (2023 – 56% from 10 customers).

Expected credit losses (ECL)

The Company applies the IFRS 9 simplified approach to measuring ECL which uses a lifetime expected loss allowance for trade receivables and amounts due from related parties. The expected loss rates are based on the payment profiles of sales over the past 3 years and the corresponding historical credit losses experienced within this period.

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 changes in government policies, impact of oil prices and GDP growth to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

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26 FINANCIAL RISK AND CAPITAL MANAGEMENT (Continued)

b) Credit risk (Continued)

Expected credit losses (ECL) (Continued)

On that basis, the expected credit losses as at 30 November 2024 and 30 November 2023 was determined as follows for trade receivables:

30 November 2024	Current	Past due by more than				Specific debts	Total
		0 to 90 days	91 to 180 days	181 to 365 days	Above 365 days		
Carrying value (RO)	2,294,615	2,635,577	859,763	533,655	258,978	74,809	6,657,397
Expected loss rate %	3.19%	4.75%	11.52%	32.92%	64.95%	100.00%	
Loss allowance (RO)	73,202	125,177	99,033	175,653	168,210	74,809	716,084

30 November 2023	Current	Past due by more than				Specific debts	Total
		0 to 90 days	91 to 180 days	181 to 365 days	Above 365 days		
Carrying value (RO)	1,679,005	2,092,822	664,749	501,778	312,436	1,416,366	6,667,156
Expected loss rate %	3.59%	5.46%	12.63%	24.97%	31.62%	100.00%	
Loss allowance (RO)	60,242	114,247	83,936	125,288	98,802	1,416,366	1,898,881

Bank balances and short term deposits:

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

Amounts due from a related party:

The default rate applied on amounts due from a related party is approximately 46% (2023 – 29%). At the end of the reporting period, the ageing analysis of amounts due from a related party was as follows:

30 November 2024	Current	Past due by more than				Total
		0 to 90 days	91 to 180 days	181 to 365 days	Above 365 days	
Carrying value (RO)	318	39	630	50,616	25,104	76,707

30 November 2023	Current	Past due by more than				Total
		0 to 90 days	91 to 180 days	181 to 365 days	Above 365 days	
Carrying value (RO)	40,156	32,000	30	2,584	24,964	99,734

Expected credit losses on other receivables have not been provided as the impact is not expected to be material at the end of the reporting period.

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26 FINANCIAL RISK AND CAPITAL MANAGEMENT (Continued)

c) Liquidity risk

The Management monitors liquidity requirements on a regular basis and ensures that sufficient funds are available including unutilized credit facilities to meet all liabilities as they fall due. The Company maintains sufficient bank balances and cash and continuously monitors forecast and actual cash flows.

Based on the contractual maturity date, the financial liabilities are payable within a period of twelve months from the end of the reporting period, except the lease liabilities. The maturity analysis in respect of lease liabilities has been provided in note 6 e).

d) Capital management

The Company's objectives when managing capital is to enable the entity to continue as a going concern, so that it can continue to provide adequate returns to the Shareholders. The Company also ensures compliance with externally imposed capital requirements.

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.

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5 PROPERTY AND EQUIPMENT (Continued)

Year 2024	Buildings RO	Equipment RO	Furniture and fixtures RO	Vehicles RO	Pre-fabricated buildings RO	Capital work-in- progress RO	Total RO
Cost							
At 30 November 2023	28,892,628	925,760	1,041,391	118,800	525,819	1,451,916	32,956,314
Additions during the year	--	144,852	40,856	--	--	448,058	633,766
Transfers during the year	16,745	--	65,781	--	1,817,448	(1,899,974)	--
Written off during the year	--	(56,358)	(19,748)	--	--	--	(76,106)
At 30 November 2024	28,909,373	1,014,254	1,128,280	118,800	2,343,267	--	33,513,974
Depreciation							
At 30 November 2023	15,515,361	740,328	944,474	118,800	525,819	--	17,844,782
Charge for the year (note 15)	963,367	41,653	32,249	--	64,951	--	1,102,220
Relating to write off during the year	--	(56,358)	(19,748)	--	--	--	(76,106)
At 30 November 2024	16,478,728	725,623	956,975	118,800	590,770	--	18,870,896
Net book values							
At 30 November 2024	12,430,645	288,631	171,305	--	1,752,497	--	14,643,078
At 30 November 2023	13,377,267	185,432	96,917	--	--	1,451,916	15,111,532

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5 PROPERTY AND EQUIPMENT (Continued)

Year 2023	Buildings RO	Equipment RO	Furniture and fixtures RO	Vehicles RO	Pre-fabricated buildings RO	Capital work-in- progress RO	Total RO
Cost							
At 30 November 2022	28,892,628	883,837	1,016,239	118,800	525,819	--	31,437,323
Additions during the year	--	41,923	25,152	--	--	1,451,916	1,518,991
At 30 November 2023	28,892,628	925,760	1,041,391	118,800	525,819	1,451,916	32,956,314
Depreciation							
At 30 November 2022	14,552,274	705,202	915,541	118,800	517,505	--	16,809,322
Charge for the year (note 15)	963,087	35,126	28,933	--	8,314	--	1,035,460
At 30 November 2023	15,515,361	740,328	944,474	118,800	525,819	--	17,844,782
Net book values							
At 30 November 2023	13,377,267	185,432	96,917	--	--	1,451,916	15,111,532
At 30 November 2022	14,340,354	178,635	100,698	--	8,314	--	14,628,001