

**DIRECTORS' REPORT
FOR THE FIRST QUARTER ENDED ON FEBRUARY 28, 2022.**

SAHARA HOSPITALITY COMPANY (S.A.O.G) ("SHC")

On behalf of Board of Directors, I am pleased to submit the unaudited financial statements of the company for the first quarter ended on February 28, 2022 along with its related reports.

The company has reported revenue of RO. 3,008,712 for the period under review as against RO 2,630,616 in the corresponding period of previous year. Net profit after tax for the same period was RO. 594,090 as against RO. 518,054 recorded in the same period of last year.

The total shareholders fund increased from RO. 24,112,906 at the end of the first quarter of the year 2021 to RO. 26,313,007 in the same period of 2022. And as a result of this growth, the net assets per share have recorded R.O 3.321.

On behalf of the Board of Directors, I express our most sincere gratitude to His Majesty Sultan Haitham Bin Tariq Bin Taimour Al Said for his wise leadership and generous support to the private sector. Also I would extend our gratitude to the Muscat Securities Market, Capital Market Authority and other government organizations involved in private sector business development.

I conclude this report by expressing our appreciation to our shareholders, Petroleum Development Oman, our bankers and customers for their valued support and cooperation.

For and on behalf of Board of Directors,

TALAL BIN QAIS AL ZAWAWI
CHAIRMAN

23th March, 2022

Sahara Hospitality Co. (S.A.O.G.)

Statement of Comprehensive Income

Period ended 28 February-2022. (3 months)

Currency : Rials Omani

Month				Cumulative				Prior Year	
Actual	%	Budget	%	Actual	%	Budget	%	Actual	%
Revenue									
393,794		386,200		Resident Accommodation	1,202,775	1,239,922		1,053,458	
409,207		403,258		Resident Meals	1,266,219	1,292,648		1,116,417	
111,963		110,674		Resident Services	347,332	355,150		296,863	
2,833		4,731		Visitors Meals	13,990	14,193		12,051	
37,851		32,060		Beverages	116,423	103,050		84,258	
9,457		8,200		Clinic Services	33,380	24,600		25,545	
8,742		10,265		Others	28,593	30,795		42,024	
973,847		955,388		Total	3,008,712	3,060,358		2,630,616	
Cost of Sales									
41,814	11	41,001	11	Resident Accommodation	126,942	131,785	11	97,208	9
365,002	89	360,600	89	Resident Meals	1,126,888	1,156,024	89	980,197	88
153,091	137	151,438	137	Resident Services	473,275	486,018	137	393,287	132
2,443	86	4,083	86	Visitors Meals	12,053	12,248	86	10,378	86
28,276	75	24,091	75	Beverages	86,782	77,437	75	60,813	72
9,321	99	8,281	101	Clinic Services	33,223	24,843	101	26,085	102
7,053	81	8,575	84	Others	23,563	25,724	84	35,847	85
6,482		6,482		Staff Accommm & Transport	19,446	19,445		19,446	
14,128		15,697		Elect & Water, Trspt,STP Chrgrs	42,270	50,360		37,874	
-		-		Discount Allowed (Payable to PDO)	3,188	3,188		9,481	
87,637		87,759		Depreciation - PPE	262,842	260,568		265,404	
715,247	73	708,006	74	Total	2,210,472	2,247,639	73	1,936,020	74
258,600	27	247,382	26	Gross Profit	798,240	812,719	27	694,596	26
Overheads									
1,718		1,718		Depreciation on ROU Assets	5,154	5,154		5,156	
605		561		Interest & Bank charges	1,821	1,705		13,048	
13,300		13,300		Provision for Doubtful Debts	39,900	39,900		15,000	
35,027		34,593		Administrative General Exp.	106,023	106,764		98,253	
50,650	5	50,172	5	Total	152,898	153,523	5	131,457	5
16,685		16,685		Other Income (Interest recvd)	53,631	53,630		46,424	
224,635	23	213,895	22	Net Profit before Tax	698,973	712,826	23	609,563	23
33,707		32,253		Taxation	104,883	107,118		91,509	
190,928	20	181,642	19	Net Profit after Tax	594,090	605,708	20	518,054	20
19,093		18,165		Legal Reserve	59,409	60,572		-	
171,835	18	163,477	17	Net Profit attributable to shareholders	534,681	545,136	18	518,054	20

Sahara Hospitality Co. (S.A.O.G.)

Statement of Income

Location: **FAHUD**

Period ended 28 February-2022. (3 months)

Currency : Rials Omani

Month					Cumulative				Prior Year	
Actual	%	Budget	%		Actual	%	Budget	%	Actual	%
Revenue										
196,405		189,155		Resident Accommodation	580,895		607,693		468,516	
198,811		190,482		Resident Meals	587,282		612,246		476,577	
52,738		50,634		Resident Services	155,796		162,748		116,486	
392		880		Visitors Meals	3,034		2,640		1,932	
18,633		15,400		Beverages	55,524		49,500		45,388	
2,529		2,905		Others	7,754		8,715		16,912	
469,508		449,456		Total	1,390,285		1,443,542		1,125,811	
Cost of Sales										
23,831	12	22,890	12	Resident Accommodation	70,242	12	73,572	12	45,843	10
174,465	88	167,635	88	Resident Meals	513,391	87	538,811	88	411,991	86
72,605	138	69,814	138	Resident Services	213,974	137	224,396	138	155,107	133
338	86	759	86	Visitors Meals	2,612	86	2,277	86	1,650	85
14,006	75	11,596	75	Beverages	41,509	75	37,274	75	32,686	72
1,624	64	2,000	69	Others	5,075	65	6,000	69	13,617	81
5,282		5,282		Staff Accom & Transport	15,846		15,845		15,846	
6,684		6,550		Elect & Water,STP Chrgs	19,043		21,044		14,272	
-		-		Discount Allowed (Payable to PDO)	1,703		1,703		4,099	
298,835	64	286,526	64	Total	883,395	64	920,922	64	695,111	62
170,673	36	162,930	36	Gross Profit	506,890	36	522,620	36	430,700	38

Sahara Hospitality Co. (S.A.O.G.)

Statement of Income

Location: **NIMR**

Period ended 28 February-2022. (3 months)

Currency : Rials Omani

Month				Cumulative				Prior Year	
Actual	%	Budget	%	Actual	%	Budget	%	Actual	%
Revenue									
178,978		178,901		Resident Accommodation	563,104	574,689		530,656	
155,895		158,324		Resident Meals	505,272	508,898		479,005	
46,993		47,711		Resident Services	152,393	153,357		143,650	
637		1,219		Visitors Meals	2,478	3,657		2,684	
19,218		16,660		Beverages	60,899	53,550		38,869	
7,996		7,500		Clinic Services	31,027	22,500		23,131	
871		1,560		Others	4,074	4,680		5,179	
410,588		411,875		Total	1,319,247	1,321,331		1,223,174	
Cost of Sales									
17,983	10	18,111	10	Resident Accommodation	56,700	58,213	10	51,365	10
143,573	92	146,037	92	Resident Meals	463,838	469,405	92	429,466	90
64,930	138	65,950	138	Resident Services	209,525	211,980	138	191,363	133
552	87	1,056	87	Visitors Meals	2,145	3,167	87	2,330	87
14,270	74	12,495	75	Beverages	45,273	40,163	75	28,126	72
7,716	96	7,350	98	Clinic Services	30,232	22,050	98	22,844	99
491	56	1,181	76	Others	2,935	3,542	76	3,539	68
1,200		1,200		Staff Transport	3,600	3,600		3,600	
5,929		7,514		Elect & Water Transport chrgs	18,718	24,137		19,022	
-		-		Discount Allowed (Payable to PDO)	1,485	1,485		5,382	
256,644	63	260,893	63	Total	834,451	837,741	63	757,037	62
153,944	37	150,982	37	Gross Profit	484,796	483,590	37	466,137	38

Sahara Hospitality Co. (S.A.O.G.)

Statement of Income

Location: **RIMA**

Period ended 28 February-2022. (3 months)

Currency : Rials Omani

Month				Cumulative				Prior Year	
Actual	%	Budget	%	Actual	%	Budget	%	Actual	%
Revenue									
18,411		18,144		Resident Accommodation	58,776	57,540		54,286	
54,501		54,452		Resident Meals	173,665	171,504		160,836	
12,232		12,329		Resident Services	39,143	39,045		36,727	
1,804		2,632		Visitors Meals	8,478	7,896		7,434	
1,461		700		Clinic Services	2,353	2,100		2,413	
5,342		5,800		Others	16,765	17,400		19,936	
93,751		94,057		Total	299,180	295,485		281,632	
Cost of Sales									
-		-		Resident Accommodation	-	-		-	
46,964	86	46,928	86	Resident Meals	149,659	147,808	86	138,742	86
15,556	127	15,674	127	Resident Services	49,776	49,642	127	46,816	127
1,553	86	2,268	86	Visitors Meals	7,296	6,804	86	6,398	86
1,605	110	931	133	Clinic Services	2,991	2,793	133	3,240	134
4,938	92	5,394	93	Others	15,553	16,182	93	18,691	94
1,515		1,633		Elect charges	4,509	5,179		4,582	
-		-			-	-		-	
72,131	77	72,828	77	Total	229,784	228,408	77	218,469	74
21,620	23	21,229	23	Gross Profit	69,396	67,077	23	63,163	22

Sahara Hospitality Co. (S.A.O.G.)

STATEMENT OF FINANCIAL POSITION

	<i>Feb-2022</i>	<i>Feb-2021</i>
	<u>RO</u>	<u>RO</u>
Non-current Assets		
Property, Plant and Equipment	15,386,440	16,428,776
Right of use Asset	77,333	97,952
	<u>15,463,773</u>	<u>16,526,728</u>
Current Assets		
Inventories	29,565	25,870
Trade and other receivables	5,398,180	4,922,821
Receivable from related parties	9,514	2,842
Bank and cash	8,379,146	5,048,205
	<u>13,816,405</u>	<u>9,999,738</u>
Total Assets	<u><u>29,280,178</u></u>	<u><u>26,526,466</u></u>
Current Liabilities		
Trade and other payables	611,065	471,786
Amount due to related parties	1,646,941	916,471
Current portion of term loans	-	687,902
Current portion of lease liability	21,076	20,024
Taxation	478,225	87,243
	<u>-</u>	<u>-</u>
	<u>2,757,307</u>	<u>2,183,426</u>
Net Current Assets	11,059,098	7,816,312
Long Term Liabilities		
Lease liability - Long term	60,641	80,964
Deferred taxation	134,848	137,295
Employees' end of service benefits	14,375	11,875
	<u>209,864</u>	<u>230,134</u>
Total Liabilities	<u><u>2,967,171</u></u>	<u><u>2,413,560</u></u>
Net Assets	<u><u>26,313,007</u></u>	<u><u>24,112,906</u></u>
Shareholders' Fund		
Share Capital	7,923,300	7,546,000
Legal Reserve	2,517,648	2,245,833
Retained Earnings	15,337,377	13,803,020
Profit & Loss Account - Current Year	534,682	518,053
	<u>26,313,007</u>	<u>24,112,906</u>

Sahara Hospitality Co (S.A.O.G.)

Cash flow statement

Period ended 28 February-2022. (3 months)

	Feb-2022	Feb-2021
	RO	RO
	<u> </u>	<u> </u>
Cash flows from operating activities		
Profit for the year before taxation	698,974	609,562
Adjustments for:		-
Depreciation on property, plant and equipment	262,842	265,404
Depreciation on right-of-use assets	5,154	5,156
Finance charges	1,089	12,826
Investment income (Interest on bank deposits)	(53,631)	(46,424)
Accrual of employee's end of service benefits	617	519
Property, plant and equipment written off	-	-
Cash flows before working capital changes	915,045	847,043
Decrease/(increase) in inventories	213	5,054
Movement in related party balances	510,233	(126,264)
Decrease/(increase) in trade and other receivables	(220,162)	(57,714)
Increase/(decrease) in trade and other payables	115,503	(30,515)
Cash generated from operations	1,320,832	637,604
Income tax paid	-	(432,153)
Net cash from operating activities	1,320,832	205,451
Cash flows from investing activities		
Purchase of property, plant and equipment	(12,772)	(7,329)
Interest on bank deposits	53,631	46,424
Net cash (used in)/from investing activities	40,859	39,095
Cash flows from financing activities		
Term loan repayments	-	(294,822)
Dividend paid	-	(808,500)
Net financing charges	-	(11,492)
Payment of principal amount of lease liabilities	(4,911)	(4,666)
Payment of finance charges of lease liabilities	(1,089)	(1,334)
Net cash used in financing activities	(6,000)	(1,120,814)
Net change in cash and cash equivalents during the year	1,355,691	(876,268)
Cash and cash equivalents at the beginning of the year	7,023,455	5,924,473
Cash and cash equivalent at the end of the period	8,379,146	5,048,205