

***DIRECTORS' REPORT
FOR THE THIRD QUARTER ENDED ON AUGUST 31, 2022***

On behalf of the Board of Directors, I am pleased to submit the unaudited Financial Statements of the company for the third quarter ended on August 31, 2022 along with related reports.

Revenue was RO 9,499,492 as against RO 8,272,397 in the corresponding period of previous year whereas net Profit after taxes for the period was RO 1,898,609 as against RO 1,550,285 in the previous year.

The total shareholders fund increased from RO. 25,145,184 as at the end of August 2021 to RO. 26,485,625 at the end of August 2022 and a result of this increase, the net assets per share has recorded RO.3.343

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. Furthermore, I would extend our gratitude to his government for their co-operation and assistance with special mention of Ministry of Commerce & Industry, Muscat Security Market and Capital Market Authority.

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

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

Statement of Comprehensive Income

Period ended 31 August-2022. (9 months)

Currency : Rials Omani

Month					Cumulative				Prior Year	
Actual	%	Budget	%		Actual	%	Budget	%	Actual	%
Revenue										
439,687		426,861		Resident Accommodation	3,847,213		3,773,976		3,326,056	
451,139		444,695		Resident Meals	3,993,173		3,933,182		3,507,427	
123,965		122,238		Resident Services	1,095,810		1,080,864		941,524	
4,525		4,731		Visitors Meals	90,164		42,579		42,583	
37,247		35,495		Beverages	311,219		292,380		267,075	
6,960		8,200		Clinic Services	73,081		73,800		76,260	
8,507		10,265		Others	88,832		92,385		111,472	
1,072,030		1,052,485		Total	9,499,492		9,289,166		8,272,397	
Cost of Sales										
46,058	10	45,392	11	Resident Accommodation	407,581	11	401,209	11	319,205	10
402,977	89	397,712	89	Resident Meals	3,567,410	89	3,517,542	89	3,090,676	88
169,583	137	167,290	137	Resident Services	1,499,949	137	1,479,186	137	1,259,889	134
3,847	85	4,083	86	Visitors Meals	77,550	86	36,743	86	36,672	86
28,588	77	26,673	75	Beverages	235,569	76	219,731	75	196,314	74
6,865	99	8,281	101	Clinic Services	73,386	100	74,529	101	76,925	101
6,819	80	8,575	84	Others	73,547	83	77,171	84	94,304	85
6,482		6,482		Staff Accommm & Transport	58,338		58,334		58,338	
22,236		17,331		Elect & Water, Trspt,STP Chrgs	169,019		153,258		148,474	
-		-		Discount Allowed (Payable to PDO)	3,188		3,188		49,238	
87,932		88,076		Depreciation - PPE	790,380		788,545		795,933	
781,387	73	769,894	73	Total	6,955,917	73	6,809,436	73	6,125,968	74
290,643	27	282,591	27	Gross Profit	2,543,575	27	2,479,730	27	2,146,429	26
Overheads										
1,718		1,718		Depreciation on ROU Assets	15,462		15,462		15,466	
737		519		Interest & Bank charges	5,700		4,923		28,721	
18,300		13,300		Provision for Doubtful Debts	129,700		119,700		105,000	
34,692		36,194		Administrative General Exp.	322,237		323,507		309,484	
55,447	5	51,731	5	Total	473,099	5	463,593	5	458,671	6
18,473		18,473		Other Income (Interest recvd)	163,277		163,274		136,994	
253,669	24	249,333	24	Net Profit before Tax	2,233,753	24	2,179,411	23	1,824,752	22
38,055		37,404		Taxation	335,144		327,150		274,467	
215,614	20	211,928	20	Net Profit after Tax	1,898,609	20	1,852,261	20	1,550,285	19
14,561		18,825		Legal Reserve	182,861		182,861		155,028	
201,053	19	193,103	18	Net Profit attributable to shareholders	1,715,749	18	1,669,400	18	1,395,257	17

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

Statement of Income

Location: **FAHUD**

Period ended 31 August-2022. (9 months)

Currency : Rials Omani

Month					Cumulative				Prior Year	
Actual	%	Budget	%		Actual	%	Budget	%	Actual	%
Revenue										
205,041		209,269		Resident Accommodation	1,845,709		1,849,915		1,511,760	
204,155		210,882		Resident Meals	1,856,464		1,863,950		1,526,393	
54,518		56,057		Resident Services	493,853		495,478		384,943	
141		880		Visitors Meals	5,980		7,920		5,699	
18,414		17,050		Beverages	152,707		147,200		126,996	
1,616		2,905		Others	24,720		26,145		44,573	
483,885		497,043		Total	4,379,433		4,390,608		3,600,364	
Cost of Sales										
24,477	12	25,341	12	Resident Accommodation	222,741	12	223,986	12	157,973	10
178,606	87	185,588	88	Resident Meals	1,626,983	88	1,640,381	88	1,316,922	86
74,767	137	77,291	138	Resident Services	679,202	138	683,162	138	516,214	134
121	86	759	86	Visitors Meals	5,147	86	6,831	86	4,893	86
14,244	77	12,839	75	Beverages	116,146	76	110,844	75	93,750	74
711	44	2,000	69	Others	16,610	67	18,000	69	34,983	78
5,282		5,282		Staff Accom & Transport	47,538		47,534		47,538	
9,827		7,247		Elect & Water,STP Chrgs	71,297		64,063		63,369	
-		-		Discount Allowed (Payable to PDO)	1,703		1,703		25,390	
308,035	64	316,346	64	Total	2,787,367	64	2,796,503	64	2,261,032	63
175,850	36	180,697	36	Gross Profit	1,592,066	36	1,594,105	36	1,339,332	37

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

Statement of Income

Location: **NIMR**

Period ended 31 August-2022. (9 months)

Currency : Rials Omani

Month					Cumulative				Prior Year	
Actual	%	Budget	%		Actual	%	Budget	%	Actual	%
Revenue										
214,774		197,894		Resident Accommodation	1,824,402		1,749,371		1,639,245	
185,613		175,287		Resident Meals	1,605,374		1,549,294		1,462,209	
55,920		52,823		Resident Services	483,837		466,881		438,508	
805		1,219		Visitors Meals	11,744		10,971		14,230	
18,833		18,445		Beverages	158,512		145,180		140,078	
5,763		7,500		Clinic Services	66,524		67,500		69,473	
989		1,560		Others	13,603		14,040		13,521	
482,697		454,728		Total	4,163,996		4,003,237		3,777,264	
Cost of Sales										
21,581	10	20,051	10	Resident Accommodation	184,840	10	177,223	10	161,232	10
171,304	92	161,684	92	Resident Meals	1,482,351	92	1,429,059	92	1,326,112	91
77,576	139	73,015	138	Resident Services	670,566	139	645,354	138	593,155	135
645	80	1,056	87	Visitors Meals	10,085	86	9,500	87	12,280	86
14,344	76	13,834	75	Beverages	119,423	75	108,887	75	102,563	73
5,485	95	7,350	98	Clinic Services	64,872	98	66,150	98	67,965	98
610	62	1,181	76	Others	10,065	74	10,625	76	9,608	71
1,200		1,200		Staff Transport	10,800		10,800		10,800	
10,211		8,312		Elect & Water Transport chrgs	80,914		73,474		68,462	
-		-		Discount Allowed (Payable to PDO)	1,485		1,485		23,848	
302,956	63	287,682	63	Total	2,635,401	63	2,532,556	63	2,376,025	63
179,741	37	167,046	37	Gross Profit	1,528,595	37	1,470,681	37	1,401,239	37

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

Statement of Income

Location: **RIMA**

Period ended 31 August-2022. (9 months)

Currency : Rials Omani

Month				Cumulative				Prior Year	
Actual	%	Budget	%	Actual	%	Budget	%	Actual	%
Revenue									
19,872		19,698		Resident Accommodation	177,102	174,690		175,051	
61,371		58,526		Resident Meals	531,335	519,938		518,826	
13,527		13,358		Resident Services	118,120	118,505		118,073	
3,579		2,632		Visitors Meals	72,440	23,688		22,653	
1,197		700		Clinic Services	6,557	6,300		6,786	
5,902		5,800		Others	50,509	52,200		53,381	
105,448		100,714		Total	956,063	895,321		894,770	
Cost of Sales									
-		-		Resident Accommodation	-	-		-	
53,067	86	50,440	86	Resident Meals	458,076	448,102	86	447,644	86
17,240	127	16,984	127	Resident Services	150,181	150,670	127	150,519	127
3,081	86	2,268	86	Visitors Meals	62,318	20,412	86	19,499	86
1,380	115	931	133	Clinic Services	8,514	8,379	133	8,959	132
5,498	93	5,394	93	Others	46,872	48,546	93	49,713	93
2,198		1,773		Elect charges	16,808	15,722		16,645	
-		-			-	-		-	
82,464	78	77,790	77	Total	742,769	691,831	77	692,979	77
22,984	22	22,924	23	Gross Profit	213,294	203,490	23	201,791	23

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

STATEMENT OF FINANCIAL POSITION

	<i>Aug-2022</i> <u>RO</u>	<i>Aug-2021</i> <u>RO</u>
Non-current Assets		
Property, Plant and Equipment	14,890,229	15,898,797
Right of use Asset	67,025	87,642
	<u>14,957,254</u>	<u>15,986,439</u>
Current Assets		
Inventories	32,715	22,566
Trade and other receivables	6,348,494	5,092,733
Receivable from related parties	15,616	7,022
Bank and cash	7,772,551	7,026,010
	<u>14,169,376</u>	<u>12,148,331</u>
Total Assets	<u><u>29,126,630</u></u>	<u><u>28,134,770</u></u>
Current Liabilities		
Trade and other payables	767,241	918,408
Amount due to related parties	1,316,763	1,460,813
Current portion of term loans	-	98,258
Current portion of lease liability	21,076	20,024
Taxation	334,869	270,947
	<u>-</u>	<u>-</u>
	<u>2,439,949</u>	<u>2,768,450</u>
Net Current Assets	11,729,427	9,379,881
Long Term Liabilities		
Lease liability - Long term	50,630	71,452
Deferred taxation	134,791	136,549
Employees' end of service benefits	15,635	13,135
	<u>201,056</u>	<u>221,136</u>
Total Liabilities	<u><u>2,641,005</u></u>	<u><u>2,989,586</u></u>
Net Assets	<u><u>26,485,625</u></u>	<u><u>25,145,184</u></u>
Shareholders' Fund		
Share Capital	7,923,300	7,546,000
Legal Reserve	2,641,100	2,400,861
Retained Earnings	14,205,477	13,803,067
Profit & Loss Account - Current Year	1,715,749	1,395,256
	<u>26,485,625</u>	<u>25,145,184</u>

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

Cash flow statement

Period ended 31 August-2022. (9 months)

	Aug-2022	Aug-2021
	RO	RO
Cash flows from operating activities		
Profit for the year before taxation	2,233,753	1,824,751
Adjustments for:		-
Depreciation on property, plant and equipment	790,380	795,933
Depreciation on right-of-use assets	15,462	15,466
Finance charges	3,078	27,046
Investment income (Interest on bank deposits)	(163,277)	(136,994)
Accrual of employee's end of service benefits	1,877	1,779
Property, plant and equipment written off	-	-
Cash flows before working capital changes	2,881,273	2,527,981
Decrease/(increase) in inventories	(2,937)	8,358
Movement in related party balances	173,953	413,898
Decrease/(increase) in trade and other receivables	(1,170,476)	(227,579)
Increase/(decrease) in trade and other payables	271,679	416,107
Cash generated from operations	2,153,492	3,138,765
Income tax paid	(373,674)	(432,153)
Net cash from operating activities	1,779,818	2,706,612
Cash flows from investing activities		
Purchase of property, plant and equipment	(44,099)	(7,879)
Interest on bank deposits	163,277	136,994
Net cash (used in)/from investing activities	119,178	129,115
Cash flows from financing activities		
Term loan repayments	-	(884,466)
Dividend paid	(1,131,900)	(808,500)
Net financing charges	-	(23,224)
Payment of principal amount of lease liabilities	(14,922)	(14,178)
Payment of finance charges of lease liabilities	(3,078)	(3,822)
Net cash used in financing activities	(1,149,900)	(1,734,190)
Net change in cash and cash equivalents during the year	749,096	1,101,537
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	7,772,551	7,026,010