

The National Detergent Co. SAOG

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2025

Principal place of business:

Registered office

P.O. Box 3104, Ruwi, Postal Code 112
Sultanate of Oman

Corporate Office and Logistic Unit

Way No. 3605, Al Ghubrah,
Sultanate of Oman

Sohar Detergent Powder Unit

Road No. 5, Phase 1, Sohar Industrial Estate,
Sultanate of Oman

Sulphonation Unit

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

Soap Unit

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

Sohar Liquid Unit

Phase No. 5, Sohar Industrial Estate,
Sultanate of Oman

AquaPetro Chemicals Unit

Road No. 2, Rusayl Industrial Estate,
Sultanate of Oman

THE NATIONAL DETERGENT CO. SAOG

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE PRERIOD ENDED 31 March 2025

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UNAUDITED SUMMARY OF PERFORMANCE

For the period ended 31 March 2025

	Three months period ended 31 March 2025 RO	Three months period ended 31 March 2024 RO
Gross profit	2,511,634	2,275,732
Net profit after tax	359,545	394,791
Net assets per share	Bzs 848	Bzs 830
Basic earnings per share	Bzs 18	Bzs 20

The National Detergent Co. SAOG

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 31 March 2025

	Note	Three months period ended 31 March 2025 RO	Three months period ended 31 March 2024 RO
Revenue	2	7,053,189	6,445,697
Cost of sales	3	<u>(4,541,555)</u>	<u>(4,169,965)</u>
Gross profit		2,511,634	2,275,732
Selling and distribution expenses	4	(1,590,932)	(1,331,459)
Administrative and general expenses	5	(410,774)	(412,938)
Other operating income		<u>7,668</u>	<u>5,113</u>
Profit from operations		517,596	536,448
Finance costs	7	<u>(94,602)</u>	<u>(71,988)</u>
Profit before tax		422,994	464,460
Taxation	8	<u>(63,449)</u>	<u>(69,669)</u>
Net profit for the period		<u>359,545</u>	<u>394,791</u>
Basic earnings per share	9	Bzs 18	Bzs 20

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

The National Detergent Co. SAOG

UNAUDITED STATEMENT OF FINANCIAL POSITION

At 31 March 2025

	Note	31 March 2025 RO	31 March 2024 RO	Audited 31 December 2024 RO
Assets				
Non-current assets				
Property, plant and equipment	10	17,553,604	16,983,184	17,492,282
Lease Assets	10	<u>2,158,235</u>	<u>1,050,058</u>	<u>2,209,951</u>
Total non-current assets		<u>19,711,839</u>	<u>18,033,242</u>	<u>19,702,233</u>
Current assets				
Inventories	11	5,664,607	4,058,820	5,618,787
Trade and other receivables	12	8,316,781	7,446,280	6,528,563
Investment		100,000	-	-
Cash and cash equivalents	13	<u>530,419</u>	<u>903,869</u>	<u>910,071</u>
Total current assets		<u>14,611,807</u>	<u>12,408,969</u>	<u>13,057,421</u>
Total assets		<u>34,323,646</u>	<u>30,442,211</u>	<u>32,759,654</u>
Equity				
Share capital	14	2,000,000	2,000,000	2,000,000
Share premium	14	364,263	364,263	364,263
Legal reserve	16	666,667	632,835	666,667
Revaluation reserve	17	10,892,250	10,892,250	10,892,250
Retained earnings		<u>3,043,782</u>	<u>2,719,244</u>	<u>3,684,237</u>
Total equity		<u>16,966,962</u>	<u>16,608,592</u>	<u>17,607,417</u>
Liabilities				
Non-current liabilities				
Lease liabilities		2,227,284	1,001,286	2,254,746
Deferred taxation	19	1,939,871	1,990,924	1,951,040
Employees' end of service benefits	20	<u>834,639</u>	<u>830,316</u>	<u>770,518</u>
Total non-current liabilities		<u>5,001,794</u>	<u>3,822,526</u>	<u>4,976,304</u>
Current liabilities				
Current portion of lease liabilities		112,074	133,098	112,074
Short term bank borrowings	18	4,931,258	2,497,016	3,500,000
Trade and other payables	21	6,926,287	7,288,905	6,253,206
Taxation	8	<u>385,271</u>	<u>92,074</u>	<u>310,653</u>
Total current liabilities		<u>12,354,890</u>	<u>10,011,093</u>	<u>10,175,933</u>
Total liabilities		<u>17,356,684</u>	<u>13,833,619</u>	<u>15,152,237</u>
Total equity and liabilities		<u>34,323,646</u>	<u>30,442,211</u>	<u>32,759,654</u>
Net assets per share	22	Bzs 848	Bzs 830	Bzs 880

The financial statements were approved by the Board of Directors on 24 April 2025 and were signed on their behalf by:


Mohamed Abdul Hussain Baqer Al Lawati
Chairman


Murali Sundar
Chief Executive Officer

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

The National Detergent Co. SAOG

UNAUDITED STATEMENT OF CHANGES IN EQUITY

At 31 March 2025

	Share Capital RO	Share Premium RO	Legal Reserve RO	Revaluation Reserve RO	Retained Earnings RO	Total RO
At 1 January 2024	2,000,000	364,263	632,835	10,892,250	2,824,453	16,713,801
Income for the year	-	-	-	-	1,393,616	1,393,616
Dividend paid	-	-	-	-	(500,000)	(500,000)
Transfer to legal reserve	-	-	33,832	-	(33,832)	-
At 31 December 2024	<u>2,000,000</u>	<u>364,263</u>	<u>666,667</u>	<u>10,892,250</u>	<u>3,684,237</u>	<u>17,607,417</u>
At 1 January 2025	2,000,000	364,263	666,667	10,892,250	3,684,237	17,607,417
Profit for the period	-	-	-	-	359,545	359,545
Transaction with owners:	-	-	-	-	-	-
Dividend paid	-	-	-	-	(1,000,000)	(1,000,000)
At 31 March 2025	<u>2,000,000</u>	<u>364,263</u>	<u>666,667</u>	<u>10,892,250</u>	<u>3,043,782</u>	<u>16,966,962</u>

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

The National Detergent Co. SAOG

UNAUDITED STATEMENT OF CASH FLOWS

For the period ended 31 March 2025

	31 March 2025 RO	31 March 2024 RO	Audited 31 December 2024 RO
Operating activities			
(Loss) / profit before tax	422,994	464,460	1,641,980
Adjustment for:			
Depreciation and amortization	224,760	201,242	814,958
Gain on disposal of property, plant and equipment	-	(381)	(6,238)
Finance cost	94,602	71,988	325,226
Employees' end of services benefits	90,519	56,266	69,728
Operating profit before changes in working capital	832,875	793,575	2,845,654
Working capital changes:			
Inventories	(45,820)	(505,639)	(2,065,606)
Trade and other receivables	(1,788,218)	(126,539)	791,178
Trade and other payables	673,081	797,974	(237,724)
Cash flows (used in)/from operating activities	(328,082)	959,371	1,333,502
Payment of end of service benefits	(26,398)	(9,341)	(82,601)
Tax paid	-	(206,412)	(206,412)
Net cash flows (used in) from operating activities	(354,480)	743,618	1,044,489
Investing activities			
Acquisitions of property, plant and equipment	(234,366)	(71,192)	(1,040,276)
Proceeds from disposal on property, plant and equipment	-	381	6,238
Investment	(100,000)	-	-
Net cash flows used in investing activities	(334,366)	(70,811)	(1,034,038)
Financing activities			
Net movement in bank borrowings	1,000,000	(484,244)	518,740
Lease liabilities	(61,679)	(51,982)	(256,504)
Dividend paid	(1,000,000)	(500,000)	(500,000)
Interest paid	(60,385)	(54,916)	(184,820)
Net cash flows from financing activities	(122,064)	(1,091,142)	(422,584)
Net change in cash and cash equivalents	(810,910)	(418,335)	(412,133)
Cash and cash equivalents at the beginning of the year	910,071	1,322,204	1,322,204
Cash and cash equivalents at the end of the period	99,161	903,869	910,071
Cash and cash equivalent comprise:			
Cash at bank and in hand	530,419	903,869	910,071
Bank borrowings - overdraft	(431,258)	-	-
	99,161	903,869	910,071

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

UNAUDITED NOTES TO THE FINANCIAL STATEMENTS

At 31 March 2025

1 Legal status and principal activities

The National Detergent Company SAOG, an Omani Joint Stock Company ('the Company'), was constituted in accordance with the Commercial Companies Law of Oman 1974, and Ministerial Decree number 78/1980 dated 3 November 1980. The principal activity of the company is manufacture and sale of detergents, liquid soaps and home care products.

2 Segment information

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions.

The Board considers the business from a divisional perspective. Divisionally, management considers the performance of Consumer division and other division.

The reportable operating segments derive their revenue primarily from the manufacture and sale of detergents, liquid soap and homecare products. The directors review monthly analysis of production and sales by volume, sales, collections, cost of sales and factory cost by value, variance with budgets, financial position, and working capital facilities with utilisation status; raw materials and debtors on an overall Company basis.

The following divisional analysis has been compiled based on the major division of the Company:

March 2025	Consumer division RO	Other division RO	Total RO
Revenue	6,940,325	112,864	7,053,189
Cost of sales	(4,383,303)	(158,252)	(4,541,555)
Total overheads	(1,971,986)	(29,720)	(2,001,706)
Other Income	<u>7,668</u>	<u>-</u>	<u>7,668</u>
Profit from operations	592,704	(75,108)	517,596
Finance costs- net	<u>(88,827)</u>	<u>(5,775)</u>	<u>(94,602)</u>
(Loss)/Profit before tax	<u>503,877</u>	<u>(80,883)</u>	<u>422,994</u>
Taxation	-	-	<u>(63,449)</u>
Profit for the year	-	-	<u>359,545</u>
Other financial information			
Trade receivables	<u>8,209,356</u>	<u>209,390</u>	<u>8,418,746</u>
Plant, property and equipment addition	<u>234,366</u>	<u>-</u>	<u>234,366</u>

UNAUDITED NOTES TO THE FINANCIAL STATEMENTS

At 31 March 2025

2 Segment information (continued)

March 2024	Consumer division RO	Other division RO	Total RO
Revenue	6,139,210	306,487	6,445,697
Cost of sales	(3,827,905)	(342,060)	(4,169,965)
Total overheads	(1,733,016)	(11,381)	(1,744,397)
Other Income	<u>5,113</u>	<u>-</u>	<u>5,113</u>
Profit from operations	583,402	(46,954)	536,448
Finance costs- net	<u>(68,595)</u>	<u>(3,393)</u>	<u>(71,988)</u>
(Loss)/Profit before tax	<u>514,807</u>	<u>(50,347)</u>	<u>464,460</u>
Taxation	-	-	(69,669)
Profit for the year	-	-	<u>394,791</u>
Other financial information			
Trade receivables	<u>7,609,007</u>	<u>302,112</u>	<u>7,911,119</u>
Plant, property and equipment addition	<u>68,473</u>	<u>2,719</u>	<u>71,192</u>

UNAUDITED NOTES TO THE FINANCIAL STATEMENTS

At 31 March 2025

3 Cost of sales

	Three months period ended 31 March 2025	Three months period ended 31 March 2024
	RO	RO
Materials consumed	3,127,689	2,894,944
Direct labour (note 6)	642,018	570,319
Freight and handling charges	342,095	305,700
Utilities	92,417	114,860
Other direct costs	98,065	60,336
Repairs and maintenance	64,886	70,491
Depreciation (note 10)	154,073	131,947
Depreciation on right of use asset	20,312	21,368
	<u>4,541,555</u>	<u>4,169,965</u>

4 Selling and distribution expenses

	Three months period ended 31 March 2025	Three months period ended 31 March 2024
	RO	RO
Sales promotion and advertisement	1,179,475	1,001,120
Employee related expenses (note 6)	309,224	255,489
Distribution Expenses	58,807	47,754
Depreciation on right of use asset	31,404	23,191
Selling expenses	12,022	3,905
	<u>1,590,932</u>	<u>1,331,459</u>

5 Administrative and general expenses

	Three months period ended 31 March 2025	Three months period ended 31 March 2024
	RO	RO
Employee related costs (note 6)	290,445	246,650
Allowance for expected credit losses	-	30,000
Depreciation (note 10)	18,971	24,737
Repairs expenses	23,235	23,569
Printing stationery and telephone expenses	10,936	12,014
Other expenses	17,414	23,489
Professional charges	25,566	30,129
Travelling conveyance	6,717	6,750
Directors' sitting fees (note 25)	17,490	15,600
	<u>410,774</u>	<u>412,938</u>

6 Employee related costs

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

	Three months period ended 31 March 2025	Three months period ended 31 March 2024
	RO	RO
Wages and salaries	904,384	781,466
Other benefits	220,890	205,342
End of service benefits (note 20)	90,519	56,266
Training and recruitment expenses	25,894	29,384
	<u>1,241,687</u>	<u>1,072,458</u>

UNAUDITED NOTES TO THE FINANCIAL STATEMENTS

At 31 March 2025

7 Financial cost

	Three months period ended 31 March 2025	Three months period ended 31 March 2024
Finance cost	RO	RO
Interest on short term borrowings	61,712	56,104
Interest on right of use asset	34,217	17,072
Foreign exchange difference (gain)/loss	(1,327)	(1,188)
	<u>94,602</u>	<u>71,988</u>

8 Taxation

(a) Statement of income:

	Three months period ended 31 March 2025	Three months period ended 31 March 2024
	RO	RO
Current tax	74,618	92,074
Deferred Tax Current year	(11,169)	(22,405)
	<u>63,449</u>	<u>69,669</u>

(b) Current liabilities

	Three months period ended 31 March 2025	Three months period ended 31 March 2024
Current year	74,618	92,074
Prior year	310,653	-
	<u>385,271</u>	<u>92,074</u>

(c) Tax is provided at 15% (2024 – 15%) on the profit for the year adjusted for taxation purposes.

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

9 Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	Three months period ended 31 March 2025	Three months period ended 31 March 2024
	RO	RO
Net profit/(loss) attributable to shareholders (RO)	359,545	394,791
Number of shares outstanding (note 14)	20,000,000	20,000,000
Earnings per share (Bz)	<u>18</u>	<u>20</u>

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

UNAUDITED NOTES TO THE FINANCIAL STATEMENTS

At 31 March 2025

10 Property, plant and equipment

	Land RO	Buildings RO	Plant & machinery RO	Furniture, fixtures & office equipment RO	Motor vehicles RO	Capital work in progress RO	Total RO
Cost/valuation							
At 1 January 2025	13,500,000	4,465,431	8,825,923	835,862	88,759	425,117	28,141,092
Transfer CWIP/Assets	-	425,117	-	-	-	(425,117)	-
Additions	-	146,701	50,650	9,913	-	27,102	234,366
Disposal	-	-	-	-	-	-	-
At 31 March 2025	<u>13,500,000</u>	<u>4,419,933</u>	<u>8,523,026</u>	<u>828,084</u>	<u>124,058</u>	<u>40,742</u>	<u>27,435,843</u>
Depreciation							
At 1 January 2025	-	3,326,816	6,498,750	749,944	73,300	-	10,648,810
Charge for the year :	-	48,315	112,608	10,573	1,548	-	173,044
Disposal	-	-	-	-	-	-	-
At 31 March 2025	<u>-</u>	<u>3,375,131</u>	<u>6,611,358</u>	<u>760,517</u>	<u>74,848</u>	<u>-</u>	<u>10,821,854</u>
Net Book Value							
At 31 March 2025	<u>13,500,000</u>	<u>1,662,118</u>	<u>2,265,215</u>	<u>85,258</u>	<u>13,911</u>	<u>27,102</u>	<u>17,553,604</u>

	Land RO	Buildings RO	Plant & machinery RO	Furniture, fixtures & office equipment RO	Motor vehicles RO	Capital work in progress RO	Total RO
Cost/valuation							
At 1 January 2024	13,500,000	4,415,533	8,307,374	799,425	135,034	13,157	27,170,523
Transfer CWIP/Assets	-	-	13,157	-	-	(13,157)	-
Additions	-	1,750	54,569	12,759	-	2,114	71,192
Disposal	-	-	(10,145)	-	-	-	(10,145)
At 31 March 2024	<u>13,500,000</u>	<u>4,417,283</u>	<u>8,364,955</u>	<u>812,184</u>	<u>135,034</u>	<u>2,114</u>	<u>27,231,570</u>
Depreciation							
At 1 January 2024	-	3,150,467	6,133,068	704,928	113,384	-	10,101,847
Charge for the year :	-	44,048	94,984	16,105	1,547	-	156,684
Disposal	-	-	(10,145)	-	-	-	(10,145)
At 31 March 2024	<u>-</u>	<u>3,194,515</u>	<u>6,217,907</u>	<u>721,033</u>	<u>114,931</u>	<u>-</u>	<u>10,248,386</u>
Net Book Value							
At 31 March 2024	<u>13,500,000</u>	<u>1,222,768</u>	<u>2,147,048</u>	<u>91,151</u>	<u>20,103</u>	<u>2,114</u>	<u>16,983,184</u>

UNAUDITED NOTES TO THE FINANCIAL STATEMENTS

At 31 March 2025

10 Property, plant and equipment (continued)

	Land	Buildings	Plant & machinery	Furniture, fixtures & office equipment	Motor vehicles	Capital work in progress	Total
	RO	RO	RO	RO	RO	RO	RO
Cost/valuation							
At 1 January 2024	13,500,000	4,415,533	8,307,374	799,425	135,033	13,157	27,170,522
Transfer	-	-	13,157	-	-	(13,157)	-
Additions	-	49,898	528,824	36,437	--	425,117	1,040,276
Disposal	-	-	(23,432)	(46,274)	-	-	(69,706)
At 31 December 2024	<u>13,500,000</u>	<u>4,465,431</u>	<u>8,825,923</u>	<u>835,862</u>	<u>88,759</u>	<u>425,117</u>	<u>28,141,092</u>
Depreciation							
At 1 January 2024	-	3,150,467	6,133,068	704,928	113,385	--	10,101,848
Charge for the year :							
Charge for the year	-	176,349	389,114	45,016	6,189	--	616,668
Disposal	-	-	(23,432)	(46,274)	-	-	(69,706)
At 31 December 2024	<u>-</u>	<u>3,326,816</u>	<u>6,498,750</u>	<u>749,944</u>	<u>73,300</u>	<u>--</u>	<u>10,648,810</u>
Net Book Value							
At 31 December 2024	<u>13,500,000</u>	<u>1,138,615</u>	<u>2,327,173</u>	<u>85,918</u>	<u>15,459</u>	<u>425,117</u>	<u>17,492,282</u>

10.1 Leases

The balance sheet shows the following amounts relating to leases.

	31 March 2025 RO	31 March 2024 RO	Audited 31 December 2024 RO
Right of use of assets			
Land	1,968,033	874,467	1,988,345
Vehicles	190,202	175,591	221,606
	<u>2,158,235</u>	<u>1,050,058</u>	<u>2,209,951</u>
Lease liabilities			
Current	112,074	133,098	112,074
Non-current	2,227,284	1,001,286	2,254,746
	<u>2,339,358</u>	<u>1,134,384</u>	<u>2,366,820</u>

UNAUDITED NOTES TO THE FINANCIAL STATEMENTS

At 31 March 2025

11 Inventories

	31 March 2025	31 March 2024	Audited 31 December 2024
	RO	RO	RO
Raw and packaging materials	3,673,834	2,440,704	3,760,821
Finished goods	1,428,058	1,129,125	1,624,949
Consumables and spares	230,194	164,328	203,364
Work in progress	50,573	29,969	14,570
Goods in transit	<u>464,908</u>	<u>476,572</u>	<u>206,961</u>
	5,847,567	4,240,698	5,810,665
Less: Provision for slow moving inventories	<u>(182,960)</u>	<u>(181,878)</u>	<u>(191,878)</u>
	<u>5,664,607</u>	<u>4,058,820</u>	<u>5,618,787</u>

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

	31 March 2025	31 March 2024	Audited 31 December 2024
	RO	RO	RO
Opening balance	191,878	141,878	141,878
Provision for the period	-	40,000	50,000
Write off/write-back during the period	<u>(8,918)</u>	<u>-</u>	<u>-</u>
Closing balance	<u>182,960</u>	<u>181,878</u>	<u>191,878</u>

12 Trade and other receivables

	31 March 2025	31 March 2024	Audited 31 December 2024
	RO	RO	RO
Trade receivable	8,418,746	7,911,118	6,982,468
Less: provision for impairment losses on receivables	<u>(968,116)</u>	<u>(938,116)</u>	<u>(968,116)</u>
	7,450,630	6,973,002	6,014,352
Other receivables	637,365	261,584	478,810
Prepayments	228,600	211,311	34,908
Due from related parties (note 25)	<u>186</u>	<u>383</u>	<u>493</u>
	<u>8,316,781</u>	<u>7,446,280</u>	<u>6,528,563</u>

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

	31 March 2025	31 March 2024	Audited 31 December 2024
	RO	RO	RO
Opening balance	968,116	908,116	908,116
Provision for the year	<u>-</u>	<u>30,000</u>	<u>60,000</u>
Closing balance	<u>968,116</u>	<u>938,116</u>	<u>968,116</u>

UNAUDITED NOTES TO THE FINANCIAL STATEMENTS

At 31 March 2025

13 Cash and bank balances

	31 March 2025 RO	31 March 2024 RO	Audited 31 December 2024 RO
Cash at bank	524,152	895,177	901,458
Cash in hand	6,267	8,692	8,613
	<u>530,419</u>	<u>903,869</u>	<u>910,071</u>

14 Share capital

(a) The Company's authorised, issued, and subscribed share capital comprises 20,000,000 (31 March 2024: 20,000,000) ordinary shares of baisa 100 each. At 31 March, the following shareholders held 10% or more of the shares of the Company:

	31 March 2025		31 March 2024	
	(%)	RO	(%)	RO
Al Anwar Investments SAOG	24.88	497,570	24.88	497,570
Bhacker Suleiman Jaffer Company	13.74	274,882	13.74	274,882
Waleed Omar Abdul Munim Al Zawawi	10.06	201,273	10.06	201,273
Mohammed Abdul Hussain Bhacker Al Lawati	10.04	200,890	10.04	200,890

(b) Share premium of RO 364,263 (2024 - RO 364,263) represents amounts that arose through a business combination model when former Bausher Chemicals SAOG was merged with the company in 2005.

15 Dividend

The proposed dividend for 2024 of Baisa 50 per share amounting to RO 1,000,000 was approved by the shareholders in the annual general meeting held on 23 March 2025 and was paid during March 2025.

16 Legal reserve

In accordance with Article 132 of the Commercial Companies Law of Oman, annual appropriation of 10% of the net profit for the year has been made to the legal reserve until the reserve equals one third of the Company's share capital. The reserve is not available for distribution but can be utilized to set off against any accumulated losses and increasing the Company's share capital by issuing shares.

17 Revaluation reserve

The revaluation reserve represents the surplus on revaluation of freehold land. This reserve is not available for distribution.

UNAUDITED NOTES TO THE FINANCIAL STATEMENTS

At 31 March 2025

18 Borrowings

	31 March 2025 RO	31 March 2024 RO	Audited 31 December 2024 RO
Current			
Bank overdrafts	431,258	-	-
Short term borrowings	<u>4,500,000</u>	<u>2,497,016</u>	<u>3,500,000</u>
Total current borrowings	<u>4,931,258</u>	<u>2,497,016</u>	<u>3,500,000</u>

(a) The Company had obtained credit facilities comprising overdrafts, loans against trust receipts, letters of credit, short term loan and bill discounting facilities from commercial banks during the period. Interest is charged at rates ranging between 5.5 % and 7.0% (2024 – 5.5 % and 6.9 %) per annum.

19 Deferred tax

Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 15% (2024 - 15%). The deferred tax liability and the deferred tax (charge)/credit in the statement of comprehensive income and statement of equity, are attributable to the following items:

	1 January 2025 RO	(Charged)/credited to statement of comprehensive income	31 March 2024 RO
Deferred tax liabilities			
Deferred tax liability on depreciation and revaluation of property, plant and equipment	(2,148,570)	12,507	(2,136,063)
Deferred tax asset			
Right-of-use assets and lease liabilities	23,531	-	23,531
Provisions	<u>173,999</u>	<u>(1,338)</u>	<u>172,661</u>
Net deferred tax liabilities	<u>(1,951,040)</u>	<u>11,169</u>	<u>(1,939,871)</u>

	1 January 2024 RO	(Charged)/credited to statement of comprehensive income	31 March 2024 RO
Deferred tax liabilities			
Deferred tax liability on depreciation and revaluation of property, plant and equipment	(2,182,029)	11,905	(2,170,124)
Deferred tax asset			
Right-of-use assets and lease liabilities	11,201	-	11,201
Provisions	<u>157,499</u>	<u>10,500</u>	<u>167,999</u>
Net deferred tax liabilities	<u>(2,013,329)</u>	<u>65,857</u>	<u>(1,990,924)</u>

UNAUDITED NOTES TO THE FINANCIAL STATEMENTS

At 31 March 2025

20 End of service benefits

	31 March 2025	31 March 2024	Audited 31 December 2024
	RO	RO	RO
Opening balance	770,518	783,391	783,391
Charge for the year (note 6)	90,519	56,266	69,728
Payments during the year	(26,398)	(9,341)	(82,601)
Closing balance	<u>834,639</u>	<u>830,316</u>	<u>770,518</u>

21 Trade and other payables

	31 March 2025	31 March 2024	Audited 31 December 2024
	RO	RO	RO
Trade payables	3,604,512	3,689,682	2,673,334
Accrued expenses	2,693,302	2,816,397	2,682,591
Other payables	565,599	725,862	778,407
Due to related parties (see note 25)	62,874	56,964	118,874
	<u>6,926,287</u>	<u>7,288,905</u>	<u>6,253,206</u>

22 Net assets per share

Net assets per share is calculated by dividing the net assets at the year end by the number of shares outstanding at 31 March as follows:

	31 March 2025	31 March 2024	Audited 31 December 2024
	RO	RO	RO
Net assets (RO)	<u>16,966,962</u>	<u>16,608,592</u>	<u>17,607,417</u>
Number of shares in issue at the end of the year	<u>20,000,000</u>	<u>20,000,000</u>	<u>20,000,000</u>
Net assets per share (Bzs)	<u>848</u>	<u>830</u>	<u>880</u>

23 Contingencies

At 31 March 2025, the Company had guarantees in the normal course of business amounting to RO 164,000 (31 March 2025 RO 150,000 and 31 December 2024 - RO 164,000) from which it is anticipated that no material liabilities will arise.

24 Commitments

Purchase commitments

At 31 March 2025, the Company had purchase commitments amounting to RO 2,299,514 (31 March 2024 RO 1,703,314 and 31 December 2024 - RO 1,833,115).

Capital commitments

At 31 March 2025, the company had capital commitments amounting to RO 209,603 (31 March 2024 RO 136,886 and 31 December 2024 - RO 364,034).

UNAUDITED NOTES TO THE FINANCIAL STATEMENTS

At 31 March 2025

25 Related party transactions

The Company has entered into transactions with entities related to the significant shareholders or directors ("related parties"). In the ordinary course of business, such related parties provide goods and render services to the Company. The Company also sells goods to such related parties. During the year, the following transactions were carried out with related parties:

(i) Sales of goods

	31 March 2025 RO	31 March 2024 RO
Sales of goods:		
- related parties	<u>186</u>	<u>144</u>

(ii) Purchase of goods

	31 March 2025 RO	31 March 2024 RO
Purchase of goods:		
- related parties	<u>45,383</u>	<u>41,320</u>

(iii) Key management compensation

	31 March 2025 RO	31 March 2024 RO
Basic salaries and allowances	108,089	75,093
Other benefits and expenses	<u>4,890</u>	<u>3,591</u>
	<u>112,979</u>	<u>78,684</u>

(iv) Remuneration to directors

	31 March 2025 RO	31 March 2024 RO
Directors' sitting fees (note 5)	<u>17,490</u>	<u>15,600</u>

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

	31 March 2025 RO	31 March 2024 RO
Receivable from related parties		
- other related parties (note 12)	<u>186</u>	<u>383</u>
Payable to related parties (note 21)		
- shareholders and directors	<u>62,874</u>	<u>56,946</u>

No provision has been required in 2024 and 2025 in respect of amounts due from related entities.

26 Certain Comparative figures of the Company have been reclassified in order to conform the presentation for the current period. The reclassification has no impact on the profit for the period.