OMAN OIL MARKETING COMPANY SAOG AND ITS SUBSIDIARIES

Consolidated and Parent company (separate) financial statements for the year ended 31 December 2024

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Sultanate of Oman

OMAN OIL MARKETING COMPANY SAOG AND ITS SUBSIDIARIES

Report of consolidated and parent company (separate) financial statements
For the year ended 31 December 2024

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Independent auditors' report

To the Shareholders of Oman Oil Marketing Company SAOG

Report on the Audit of the Consolidated and Parent Company (Separate) Financial Statements

Opinion

We have audited the consolidated and parent company (separate) financial statements of Oman Oil Marketing Company SAOG ("the Parent Company") and its subsidiaries ("the Group"), which comprise the consolidated and parent company (separate) statement of financial position as at 31 December 2024, the consolidated and parent company (separate) statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated and parent company (separate) financial statements present fairly, in all material respects, the consolidated and unconsolidated financial position of the Group and the Parent Company as at 31 December 2024, and their consolidated and unconsolidated financial performance and their consolidated and unconsolidated cash flows respectively for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated and Parent Company (Separate) Financial Statements* section of our report. We are independent of the Group and the Parent Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated and parent company (separate) 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 judgment, were of most significance in our audit of the consolidated and parent company (separate) financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and parent company (separate) financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key Audit Matters (continued)

Retail revenue

See note 3 and note 22 to the consolidated and parent company (separate) financial statements.

The key audit matter	How the matter was addressed in our audit
Total revenue recognised during the year by the Parent company amounted to RO 715.481 million and the Group amounted to RO 803.778 million, of which retail revenue amounted to RO 553.037 million for the Parent Company and RO 627.367 million for the Group. Retail revenue from the sale of goods is recognised when the control over good have been transferred to the buyer. We identified retail revenue from the sale of goods as a key audit matter due to its significance to the separate and consolidated financial statements and the inherent risks of material misstatement. This determination is driven by the following factors, which, in combination, create a significant risk of material misstatement, potentially due to error. **High Volume of Transactions:** The Group engages in a very high volume of retail sales transactions in fuel requiring extensive reconciliation of actual fuel delivered and remaining inventory at the period end. This high volume increases the inherent risk of errors in revenue recognition. **Period-End Cut-Off Risks:** Due to the continuous nature of fuel sales and the timing of deliveries, there is a significant risk of errors related to revenue cut-off at the period-end. Revenue might be recognized in the incorrect period (either prematurely or belatedly) if deliveries occur close to the reporting date and systems/processes do not accurately capture the transfer of control. This is particularly relevant given the manual adjustments described above. **Magnitude:** The magnitude of revenue, both for the Parent Company and the Group, makes even a small percentage error potentially material to the financial statements. This inherent materiality amplifies the significance of the risks described above.	Our audit procedures in this area included, among others: – Obtaining a thorough understanding of the Group's end-to-end revenue process for retail fuel sales, encompassing the flow of transactions. This included gaining an understanding of the key controls within the process, including any controls relating to reconciliations between systems and manual journal entry approvals. – Evaluating the design and implementation of relevant controls and test operating effectiveness of relevant controls to assess whether retail revenue is recorded in accordance with the Group's accounting policies and applicable financial reporting standards. – Evaluating the appropriateness of the Group and Parent Company’s accounting policy for revenue recognition against the requirements of IFRS 15 and our understanding of the business. – Performed analytical reviews and substantive analytical procedures on retail revenue. – Performed an inventory count on a sample basis to ensure the accuracy of period end inventory. – Performed cut-off procedures specifically for retail fuel sales, selecting a sample of transactions from the period immediately before and after the year-end. This involved tracing sales transactions from source documentation to the sales journal, and vice versa, to verify that revenue was recorded in the correct accounting period, considering the point at which control of the fuel transferred to the customer.

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Other Information

Management is responsible for the other information. The other information comprises the Chairman's Report, the Corporate Governance Report and Management Analysis Report.

Our opinion on the consolidated and parent company (separate) 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 consolidated and parent company (separate) financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and parent company (separate) 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.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Parent Company (Separate) Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and parent company (separate) financial statements in accordance with IFRS Accounting Standards, and their preparation in compliance with the relevant requirements of the Financial Services Authority (formerly the Capital Market Authority) and the applicable provisions of the Commercial Companies Law of 2019, and for such internal control as management determines is necessary to enable the preparation of consolidated and parent company (separate) financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and parent company (separate) financial statements, management is responsible for assessing the Group's and Parent 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 Group and the Parent Company or to cease operations, or has no realistic alternative but to do so.

Those charged with Governance are responsible for overseeing the Group's and the Parent Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated and Parent Company (Separate) Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and parent company (separate) financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 consolidated and parent company (separate) 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 consolidated and parent company (separate) financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

— Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.

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Auditors' Responsibilities for the Audit of the Consolidated and Parent Company (Separate) Financial Statements (continued)

- 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 Group's and the Parent 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 auditors' report to the related disclosures in the consolidated and parent company (separate) 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 auditors' report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and parent company (separate) financial statements, including the disclosures, and whether the consolidated and parent company (separate) financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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 communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and parent company (separate) financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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.

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Report on Other Legal and Regulatory Requirements

Further, we report that these financial statements as at and for the year ended 31 December 2024, comply, in all material respects, with the:

- relevant requirements of the Financial Services Authority (formerly the Capital Market Authority); and
- applicable provisions of the Commercial Companies Law of 2019.

Mobeen Chaudhri
13 March 2025

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OMAN OIL MARKETING COMPANY SAOG AND ITS SUBSIDIARIES

Consolidated and parent company (separate) statement of financial position
As at 31 December 2024

		Group		Parent	
		2024	2023	**2024**	2023
	Notes	**RO**	RO	**RO**	RO
ASSETS					
Non-current assets					
Property, plant and equipment	**5**	**52,534,322**	53,321,967	**35,835,395**	37,914,713
Intangible assets	**6**	**358,020**	307,282	**276,055**	220,726
Right-of-use assets	**7.1**	**52,564,631**	47,356,419	**20,264,211**	17,809,872
Investment in subsidiaries	**8**	**-**	-	**17,774,262**	20,932,106
Investment in joint ventures	**9**	**243,913**	-	**243,913**	-
Other investment	**10**	**297,340**	316,613	**297,340**	316,613
Long term receivables	**12.2**	**-**	-	**9,361,084**	-
Deferred tax assets	**19**	**2,175,179**	2,021,227	**2,175,179**	2,021,227
Total non-current assets		**108,173,405**	103,323,508	**86,227,439**	79,215,257
Current assets					
Inventories	**11**	**7,245,304**	8,709,265	**5,393,555**	6,398,189
Trade and other receivables	**12.1**	**70,908,108**	92,152,825	**87,607,770**	91,339,611
Prepayments and other current assets	**21**	**3,417,111**	3,712,744	**498,284**	821,661
Cash and cash equivalents	**13**	**97,332,313**	27,176,275	**71,058,563**	22,600,449
Total current assets		**178,902,836**	131,751,109	**164,558,172**	121,159,910
Total assets		**287,076,241**	235,074,617	**250,785,611**	200,375,167
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	**14**	**6,450,000**	6,450,000	**6,450,000**	6,450,000
Legal reserve	**15**	**2,150,000**	2,150,000	**2,150,000**	2,150,000
Foreign currency translation reserve	**15**	**(164,113)**	(349,520)	**(164,113)**	-
Retained earnings		**77,801,226**	74,796,670	**77,801,226**	74,796,670
Total equity		**86,237,113**	83,047,150	**86,237,113**	83,396,670
Non-current liabilities					
Lease liabilities	**7.2**	**47,830,977**	43,558,035	**17,978,375**	15,470,986
Bank borrowings	**18**	**-**	20,000,000	**-**	20,000,000
Employees end-of-service benefits	**16**	**296,517**	221,014	**264,732**	209,346
Total non-current liabilities		**48,127,494**	63,779,049	**18,243,107**	35,680,332
Current liabilities					
Trade and other payables	**17**	**82,825,359**	79,560,563	**78,338,967**	74,132,646
Bank borrowings	**18**	**60,000,000**	1,033,508	**60,000,000**	-
Advance from customers		**2,283,564**	1,753,052	**2,283,564**	1,753,052
Lease liabilities	**7.2**	**5,189,691**	3,488,130	**3,424,125**	3,076,887
Current tax liabilities	**19**	**2,214,405**	2,212,920	**2,060,120**	2,135,335
Environmental provision	**20**	**198,615**	200,245	**198,615**	200,245
Total current liabilities		**152,711,634**	88,248,418	**146,305,391**	81,298,165
Total liabilities		**200,839,128**	152,027,467	**164,548,498**	116,978,497
Total equity and liabilities		**287,076,241**	235,074,617	**250,785,611**	200,375,167
Net assets per share	**30**	**1.337**	1.288	**1.337**	1.293

These consolidated and parent company (separate) financial statements were approved and authorized for issue by the Board of Directors on 12 March 2025 and signed on their behalf by:

Chairman **Chief Executive Officer**

The accompanying notes form an integral part of these consolidated and parent company (separate) financial statements.

OMAN OIL MARKETING COMPANY SAOG AND ITS SUBSIDIARIES

Consolidated and parent company (separate) statement of profit or loss
For the year ended 31 December 2024

		Group		Parent	
		2024	2023	**2024**	2023
	Notes	**RO**	RO	**RO**	RO
Revenue	**22.1**	**803,778,446**	819,266,896	**715,481,593**	727,473,138
Other income	**22.2**	**4,288,665**	4,160,010	**2,544,098**	2,484,922
Cost of material consumed and goods sold		**(751,767,075)**	(767,631,987)	**(672,407,145)**	(684,144,533)
Staff costs	**25**	**(9,298,199)**	(7,735,946)	**(7,616,845)**	(6,882,005)
Depreciation, impairment and amortization		**(5,730,241)**	(6,531,274)	**(4,978,617)**	(5,897,973)
Depreciation on right of use assets	**7.1**	**(6,693,800)**	(6,047,616)	**(4,308,909)**	(4,206,657)
Other operating expenses	**26**	**(23,078,467)**	(25,660,141)	**(15,779,763)**	(15,437,237)
Impairment loss on trade receivables	**12**	**(1,098,735)**	(324,614)	**(1,053,449)**	(234,795)
Operating profit		**10,400,594**	9,495,328	**11,880,963**	13,154,860
Share of loss from subsidiaries	**8**	**-**	-	**(3,595,553)**	(5,277,342)
Share of loss from joint ventures	**9.1**	**(15,194)**	-	**(15,194)**	-
Fair value loss on other investment	**10**	**(19,273)**	-	**(19,273)**	-
Finance income	**23**	**1,209,911**	694,929	**1,197,319**	756,764
Finance cost on borrowings	**23**	**(1,475,048)**	(1,862,534)	**(1,475,048)**	(1,862,534)
Finance cost on lease liabilities	**7.2**	**(3,091,060)**	(2,405,456)	**(1,154,006)**	(953,239)
Profit before zakat and tax		**7,009,930**	5,922,267	**6,819,208**	5,818,509
Zakat expense	**19**	**(186,264)**	(103,480)	**-**	-
Income tax	**19**	**(1,755,110)**	(1,690,556)	**(1,750,652)**	(1,690,278)
Profit after zakat and tax for the year		**5,068,556**	4,128,231	**5,068,556**	4,128,231
Basic and diluted earnings per share (RO)	**29**	**0.079**	0.064	**0.079**	0.064

Consolidated and parent company (separate) statement of other comprehensive income
For the year ended 31 December 2024

		Group		Parent	
		2024	2023	**2024**	2023
	Notes	**RO**	RO	**RO**	RO
Profit after zakat and tax for the year		**5,068,556**	4,128,231	**5,068,556**	4,128,231
Other comprehensive income/(loss)					
Items that are or may be reclassified subsequently to profit or loss					
Foreign operations -					
foreign currency translation differences		**185,407**	**(349,520)**	**(164,113)**	-
Other comprehensive income/(loss) for the year		**185,407**	**(349,520)**	**(164,113)**	-
Total comprehensive income for the year		**5,253,963**	3,778,711	**4,904,443**	4,128,231
Total comprehensive income attributable to					
- Owners of the Company		**5,253,963**	3,778,711	**4,904,443**	4,128,231
		5,253,963	3,778,711	**4,904,443**	4,128,231

The accompanying notes form an integral part of these consolidated and parent company (separate) financial statements.

OMAN OIL MARKETING COMPANY SAOG AND ITS SUBSIDIARIES

Consolidated and parent company (separate) statement of changes in equity
For the year ended 31 December 2024

Group	Share capital	Legal reserve	Foreign currency translation reserve	Retained earnings	Total
	RO	RO	RO	RO	RO
At 1 January 2023	6,450,000	2,150,000	-	73,893,439	82,493,439
Profit for the year	-	-	-	4,128,231	4,128,231
Other comprehensive loss for the year	-	-	(349,520)	-	(349,520)
Transactions with owners of the company					
- Dividends (Note 27)	-	-	-	(3,225,000)	(3,225,000)
At 31 December 2023	**6,450,000**	**2,150,000**	**(349,520)**	**74,796,670**	**83,047,150**
At 1 January 2024	**6,450,000**	**2,150,000**	**(349,520)**	**74,796,670**	**83,047,150**
Profit for the year	**-**	**-**	**-**	**5,068,556**	**5,068,556**
Other comprehensive income for the year	**-**	**-**	**185,407**	**-**	**185,407**
Transactions with owners of the company					
- Dividends (Note 27)	**-**	**-**	**-**	**(2,064,000)**	**(2,064,000)**
At 31 December 2024	**6,450,000**	**2,150,000**	**(164,113)**	**77,801,226**	**86,237,113**

Parent	Share capital	Legal reserve	Foreign currency translation reserve	Retained earnings	Total
	RO	RO	RO	RO	RO
At 1 January 2023	6,450,000	2,150,000	-	73,893,439	82,493,439
Profit for the year			-	4,128,231	4,128,231
Other comprehensive loss for the year			-	-	-
Transactions with owners of the company					
- Dividends (Note 27)	-	-	-	(3,225,000)	(3,225,000)
At 31 December 2023	**6,450,000**	**2,150,000**	**-**	**74,796,670**	**83,396,670**
At 1 January 2024	**6,450,000**	**2,150,000**	**-**	**74,796,670**	**83,396,670**
Profit for the year			**-**	**5,068,556**	**5,068,556**
Other comprehensive loss for the year			**(164,113)**	**-**	**(164,113)**
Transactions with owners of the company					
- Dividends (Note 27)	**-**	**-**	**-**	**(2,064,000)**	**(2,064,000)**
At 31 December 2024	**6,450,000**	**2,150,000**	**(164,113)**	**77,801,226**	**86,237,113**

The accompanying notes form an integral part of these consolidated and parent company (separate) financial statements.

OMAN OIL MARKETING COMPANY SAOG AND ITS SUBSIDIARIES

Consolidated and parent company (separate) statement of cash flows

For the year ended 31 December 2024

		Group		Parent	
		2024	2023	**2024**	2023
	Notes	**RO**	RO	**RO**	RO
Cash flows from operating activities					
Profit before income tax		**7,009,930**	5,922,267	**6,819,208**	5,818,509
Adjustments for:					
Share of loss from joint venture		**15,194**	-	**15,194**	-
Impairment of other investment		**19,273**	-	**19,273**	-
Share of loss from subsidiaries		**-**	-	**3,595,553**	5,277,342
Depreciation, impairment and amortization		**5,730,241**	6,531,274	**4,978,617**	5,897,973
Depreciation on right of use assets	**7.1**	**6,693,800**	6,047,616	**4,308,909**	4,206,657
(Gain)/loss on sale of property, plant & equipment		**(136,984)**	29,255	**(136,984)**	29,255
Gain on retirement of right-of-use assets		**(258,860)**	-	**-**	-
Provision for end-of-service benefits	**16**	**102,053**	62,269	**81,084**	55,808
Allowance for obsolete inventories	**11**	**(60,277)**	(7,337)	**(65,537)**	(67,125)
Inventory written off	**11**	**-**	(61,332)	**-**	-
Debtors written off	**12.1**	**-**	(24,115)	**-**	-
Impairment loss on trade receivables	**12.1**	**1,098,735**	324,614	**1,053,449**	234,795
Finance income	**23**	**(1,209,911)**	(694,929)	**(1,197,319)**	(756,764)
Finance cost on borrowings	**23**	**1,475,048**	1,862,534	**1,475,048**	1,862,534
Finance cost on lease liabilities	**7.2**	**3,091,060**	2,405,456	**1,154,006**	953,239
Operating profit before working capital changes		**23,569,302**	22,397,572	**22,100,501**	23,512,223
Changes in working capital:					
Inventories		**1,569,671**	6,269,919	**1,070,171**	(1,788,180)
Trade & other receivables and prepayment		**20,657,658**	5,098,717	**20,917,097**	(2,334,959)
Trade & other payables and advance from customers		**3,625,644**	(12,168,574)	**4,103,380**	3,398,757
Cash generated from operations		**49,422,275**	21,597,634	**48,191,149**	22,787,841
Finance cost paid on borrowings	**23**	**(1,475,048)**	(1,862,534)	**(1,475,048)**	(1,862,534)
Finance cost paid on lease liability	**7.2**	**(3,091,060)**	(2,405,456)	**(1,154,006)**	(953,239)
End of service benefits paid	**16**	**(26,550)**	(39,875)	**(25,698)**	(33,534)
Environmental provision paid	**20**	**(1,630)**	-	**(1,630)**	-
Income tax paid		**(2,092,461)**	(2,174,400)	**(1,979,819)**	(2,073,371)
Net cash from operating activities		**42,735,526**	15,115,369	**43,554,948**	17,865,163
Cash flows from investing activities					
Interest income received	**23**	**1,209,911**	694,929	**1,197,319**	756,764
Investment in subsidiaries		**-**	-	**-**	(1,945,936)
Shareholder loan to subsidiaries	**24**	**-**	-	**(26,388,988)**	(2,992,876)
Payments made on behalf of the subsidiaries				**(887,424)**	(102,558)
Proceeds from sale of property, plant & equipment		**47,951**	141,693	**45,572**	52,835
Acquisition of property, plant and equipment	**5**	**(5,121,625)**	(5,480,373)	**(3,090,692)**	(3,785,166)
Net cash used in investing activities		**(3,863,763)**	(4,643,751)	**(29,124,213)**	(8,016,937)
Cash flows from financing activities					
Proceeds from borrowings	**32**	**267,277,314**	357,033,508	**267,300,000**	356,000,000
Repayment of borrowings	**32**	**(228,333,508)**	(345,958,375)	**(227,300,000)**	(346,000,000)
Repayment of lease liability	**7.2**	**(5,657,620)**	(4,783,628)	**(3,908,621)**	(3,363,245)
Dividends paid		**(2,064,000)**	(3,225,000)	**(2,064,000)**	(3,225,000)
Net cash from financing activities		**31,222,186**	3,066,505	**34,027,379**	3,411,755
Net increase in cash and cash equivalents		**70,093,949**	13,538,123	**48,458,114**	13,259,981
Cash and cash equivalents at the beginning of the year		**27,176,275**	13,777,568	**22,600,449**	9,340,468
Effect of exchange rate fluctuations on cash held		**62,089**	(139,416)	**-**	-
Cash and cash equivalents at the end of the year	**13**	**97,332,313**	27,176,275	**71,058,563**	22,600,449

The accompanying notes form an integral part of these consolidated and parent company (separate) financial statements.

Notes to the consolidated and parent company (separate) financial statements
For the year ended 31 December 2024

1 Legal status and principal activities

Oman Oil Marketing Company SAOG (the "Company" or "Parent") is registered in the Sultanate of Oman as a public joint-stock company and is primarily engaged in the marketing and distribution of petroleum products. The Company's primary listing is on the Muscat Stock Exchange (MSX), Sultanate of Oman.

The accounts of the Company are consolidated in the financial statements of OQ SAOC (the Holding Company), a closed joint-stock company registered in the Sultanate of Oman. OQ SAOC is wholly owned by the Oman Investment Authority (OIA - the ultimate parent company). OIA is the investment company of the Government of Sultanate of Oman. The Company has entered into a 'Trademark License Agreement' with the Holding Company dated 22 September 2003 for the right to use the trademark 'Oman Oil,' in exchange for an annual fee of 0.09% of all fuel sales.

These consolidated financial statements comprise the Company and subsidiaries and joint ventures (together referred to as the "Group"), the details of which are set out in Note 3 to the consolidated financial statements. The separate financial statements represent the Company's financial statements on a standalone basis. The consolidated and separate financial statements are collectively referred to as 'the financial statements.'

2 Application of new and revised International Financial Reporting Standards (IFRS)

2.1 Following are the standards that are effective from 1 January 2024.

A number of new standards, amendments to standards and interpretations are effective for the periods beginning on or after 1 January 2024. Those, which are relevant to the Group and the Parent Company, are set out below:

- Non-current Liabilities with Covenants – Amendments to IAS 1 and Classification of Liabilities as Current or Non-current – Amendments to IAS 1
- Lease Liability in a Sale and Leaseback - Amendments to IFRS 16
- Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

The Group and the Parent Company has adopted Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – Amendments to IAS 1, as issued in 2020 and 2022. The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2024.

They clarify certain requirements for determining whether a liability should be classified as current or non-current and require new disclosures for non-current liabilities that are subject to covenants within 12 months after the reporting period. Despite the change in policy, there is no impact in the current year or retrospective impact on the comparative statement of financial position as of 31 December 2024 and 31 December 2023 respectively.

The above standards and amendments do not have any material impact on the financial statements.

2.2 New standards and interpretations issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group and the Parent Company's separate financial statements are disclosed below. The Group and the Parent Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

New standards or amendments	Effective date
Lack of Exchangeability – Amendments to IAS 21	1 January 2025
Classification and measurement of Financial Instruments - Amendment of IFRS 9 and IFRS 7	1 January 2026
Annual improvements to IFRS Accounting standards - Volume 11	1 January 2026
IFRS 18, Presentation and Disclosure in Financial Statements- IFRS 18 replaces IAS 1, which sets out presentation and base disclosure requirements for financial statements.	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures	Available for optional adoption/effective date deferred indefinitely

There are no other standards, amendments and interpretations that are not yet effective that are expected to have a material impact in the current or future reporting periods or on foreseeable future transactions.

3 Summary of material accounting policies

The material accounting policies are summarised below. Unless otherwise stated, these policies have been consistently applied to all the years presented.

3.1 Basis of preparation

The consolidated financial statements of the Group and the financial statements of the Parent Company (together referred to as "these financial statements") have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards). These financial statements also comply with the applicable requirements of the Commercial Companies Law of 2019 of the Sultanate of Oman and the rules and guidelines issued by the Financial Services Authority (formerly known as Capital Market Authority).

The accounting records are maintained in Omani Rial, which is the functional and presentation currency for these financial statements. These financial statements numbers are rounded to the nearest thousand except when otherwise indicated.

These financial statements are prepared under the historical cost convention except for other investment measured at fair value through profit or loss.

Preparing financial statements in conformity with IFRS requires specific critical accounting estimates. In applying the Group's accounting policies, management has used its judgments and made estimates in determining the amounts recognised in the financial statements. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements as disclosed in Note 4 to the financial statements.

3.2 Basis of consolidation

The financial statements comprise the financial statements of the Parent and its subsidiaries and joint ventures as at 31 December 2024.

Subsidiary companies	Shareholding percentage		Country of incorporation	Principal activities
	2024	2023		
Oman Oil Marketing Company LLC	**100%**	100%	Kingdom of Saudi Arabia	Marketing & distribution of petroleum products
Ahlain International LLC	**100%**	100%	Sultanate of Oman	Retail convenience stores and related operations
Sultanate Energy Company Limited	**100%**	100%	United Republic of Tanzania	Marketing and distribution of petroleum products
OOMCO Marine Fuels SPC*	**100%**	100%	Sultanate of Oman	Marketing and distribution of bunker petroleum products

*Formerly known as Duqm Bunker Terminal LLC.

Subsidiaries

The financial statements comprise the Company and each of its subsidiaries and joint ventures as at 31 December 2024. Subsidiaries are all entities over which the Group exercises control. Control is achieved when the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights.

3 Summary of material accounting policies (continued)

3.2 Basis of consolidation (Continued)

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control. The assets, liabilities, income, and expenses of a subsidiary acquired or disposed of during the year are included in the Group's statement of comprehensive income from the date of control until the date Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the Parent Company. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full-on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- derecognises the assets (including goodwill) and liabilities of the subsidiary
- derecognises the carrying amount of any non-controlling interests
- derecognises the cumulative translation differences recorded in equity
- recognises the fair value of the consideration received
- recognises the fair value of any investment retained
- recognises any surplus or deficit in profit or loss
- reclassifies the Parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

The Company accounts for its investment in subsidiaries based on the equity method for its separate financial statements.

3.3 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Where an item of property, plant and equipment comprises major components having different useful lives, they are accounted as separate items of property, plant and equipment.

Certain items of property, plant and equipment are subject to overhauls at regular intervals. The inherent components of the initial overhaul are determined based on the estimated costs of the next overhaul and are separately depreciated in order to reflect the estimated intervals between two overhauls. The costs of the overhauls subsequently incurred are capitalised as additions and the carrying amounts of the replaced components are written off to the profit or loss. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the item of property, plant and equipment and can be measured reliably. All other expenditure is recognised in the statement of profit or loss as an expense when incurred.

The cost of the property, plant and equipment is written down to residual value in equal instalments over the estimated useful lives of the assets. The estimated useful lives for the current and comparative periods are:

	Years
Land	Indefinite life
Buildings	2 to 40
Plant and equipment	5 to 40
Vehicle, furniture and computers	4 to 8

Capital work-in-progress are carried at cost less any recognised impairment loss and is not depreciated until it is transferred into one of the asset categories, which occurs when the asset is ready for use.

At the end of each reporting period, the assets' residual values and useful lives are reviewed and adjusted if appropriate. If the carrying amount of an asset is more than its estimated recoverable amount then it is written down immediately to its recoverable amount.

Gains or losses on property and equipment disposals are determined by comparing the proceeds with the carrying amounts and are taken into account in determining operating profit.

3 Summary of material accounting policies (continued)

3.4 Business combination

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set can produce outputs.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on bargain purchase is recognised in statement of profit or loss and other comprehensive income immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised as statement of profit or loss and other comprehensive income.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured, and settlement is accounted for within equity. Otherwise, another contingent consideration is remeasured at fair value at each reporting date, and subsequent changes in the fair value of the contingent consideration are recognised in statement of profit or loss and other comprehensive income.

Transactions eliminated on consolidation
Intra-group balances and transactions are eliminated, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arise from intra-group transactions. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

3.5 Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. The asset's recoverable amount is estimated if any such indication exists.

For impairment testing, assets are grouped into the smallest that generate cash inflows from continuing use, largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination, if any is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the higher of its value in use and its fair value less cost of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.
Impairment losses are recognised in statement of profit or loss and other comprehensive income. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amounts of the other assets in the CGU on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization if no impairment loss had been recognised.

3.6 Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of inventories is based on first-in, first-out allocation method.

Net realisable value is based on estimated selling price, less any costs expected to be incurred to completion and disposal.

3 Summary of material accounting policies (continued)

3.7 Financial instruments

3.7.1 Financial assets

Initial recognition and measurement

At initial recognition, the classification of financial assets depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through statement of profit or loss and other comprehensive income, transaction costs. Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument. Trade receivables without a significant financing component are initially measured at the transaction price.

For a financial asset to be classified and measured at amortised cost or fair value through OCI, 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 Group's business model for managing financial assets refers to managing its financial assets to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Purchases or sales of financial assets that require delivery within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset. Financial assets are not reclassified after their initial recognition unless the Group changes its business model for managing financial assets. All affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:
- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss.

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:
- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost includes trade receivables, prepayments and other current assets and cash and cash equivalents.

Impairment of financial assets

The Group has applied the simplified approach and has calculated ECLs based on lifetime expected credit losses for calculating impairment of trade receivables including due from related parties. The Group has established a provision matrix based on the Group's historical credit loss experience as adjusted for forward-looking factors.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:
– significant financial difficulty of the debtor;
– a breach of contract such as a default or being more than 90 days past due;
– the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
– it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
– the disappearance of an active market for a security because of financial difficulties.

3 Summary of material accounting policies (continued)

3.7.1 Financial assets (continued)

Other financial assets at amortised costs

Other financial assets at amortised costs include other receivables. Other financial assets at amortised costs are considered to have low credit risks, and the loss allowance considered is limited to twelve months expected loss.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

Ltfetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Derecognition

Financial assets

The Group derecognises a financial asset when: – the contractual rights to the cash flows from the financial asset expire; or – it transfers the rights to receive the contractual cash flows in a transaction in which either:

- substantially all of the risks and rewards of ownership of the financial asset are transferred; or
- the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

3.7.2 Financial liabilities

Financial liabilities are classified as measured at amortised cost or fair value through profit or loss. A financial liability is classified as at fair value through profit or loss if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit and loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gain and losses are recognised in profit and loss. Any gain or loss on derecognition is also recognised in profit or loss.

The Group derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expired. The Group also derecognizes a financial liability when its terms are modified, and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in statement of profit or loss and other comprehensive income.

Interest rate benchmark reform

When the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changed due to interest rate benchmark reform, the Group updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met: – the change is necessary as a direct consequence of the reform; and – the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e., the basis immediately before the change. When changes were made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Group first updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. After that, the Group applied the policies on accounting for modifications to the additional changes.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts, and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

3 Summary of material accounting policies (continued)

3.8 Cash and cash equivalents

For the purpose of parent company and consolidated statement of cash flow, cash and cash equivalents include cash on hand and at bank with a maturity of less than 3 months from the date of placement, net of bank overdrafts, if any.

3.9 Borrowings

All loans and borrowings are initially recognised at a fair value less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are measured at amortised cost using the effective interest method. Instalments due within one year at amortised cost are shown as a current liability. Gains and losses are recognised in the statement of profit or loss and other comprehensive income when the liabilities are derecognised. Interest costs are recognised as expenses when incurred except those that qualify for capitalisation. The Group derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expired. The Group also derecognizes a financial liability when its terms are modified, and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in statement of profit or loss and other comprehensive income.

3.10 Provisions

Provisions are recognised by the Group when there is a legal or constructive obligation resulting from a past event. An outflow of economic benefits will probably 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. Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. Due to the passage of time, the provision increase is recognised as an interest expense.

3.11 Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

3.12 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are deducted against the share capital account, net of any tax effects. Where the Company’s ordinary shares are repurchased (treasury shares), the consideration paid, excluding any directly attributable incremental costs, is deducted from equity attributable to the Company’s equity holders and presented as reserve for own shares within equity, until they are cancelled, sold or reissued.

3.13 Dividend distribution

The Board of directors adopts a prudent dividend policy, which complies with regulatory requirements applicable in the Sultanate of Oman. Dividends are distributed in accordance with the Company’s Memorandum of Association and are subject to the approval of shareholders. Dividend distribution to the Company’s shareholders is recognised as a liability, if not paid till the reporting date, in the Company’s separate and consolidated financial statements only in the period in which the Company’s shareholders approve the dividends.

3.14 Revenue recognition

Revenue from contracts with customers

The Group’s principal activity is selling fuel, lubricants and petroleum products. Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the Group's consideration to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Sale of fuel, lubricants and petroleum products

Revenue from the sale of fuel, lubricants and petroleum products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products.The revenue on the fuel sales at the Group operated fuel stations is recognised when the fuel is sold to the end customers.The normal credit terms are 30 to 90 days upon delivery/receipt. The Group considers whether other promises in the contract are separate performance obligations to which a portion of the transaction price needs

3 Summary of material accounting policies (continued)

3.15 End-of-service benefits

Obligations for contributions to a defined contribution retirement plan, for Omani employees, in accordance with the Omani Social Insurance Scheme, are recognised as an expense in the statement of profit and loss and other comprehensive income. The Company's obligation in respect of non-Omani employees' terminal benefits is the amount of future benefit that such employees have earned in return for their service in the current and prior periods having regard to the employee contract and Oman Labour Law 2023, as amended.

In accordance with the provisions of IAS 19, Employee benefits, management carries an exercise to assess the present value of the Company's obligations as of reporting date, using the actuarial techniques, in respect of employees' end of service benefits payable under the Oman aforesaid Labour Law. Under this method, an assessment is made of an employee's expected service life with the Company and the expected basic salary at the date of leaving the service.

3.16 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured based on historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to the Group's functional currency (RO) at the exchange rates at the reporting date. The income and expenses of foreign operations are translated to RO at the average exchange rates for the year. Foreign exchange differences arising on translation are recognised in other comprehensive income and presented in the 'foreign currency translation reserve' in equity. When a foreign operation is disposed off such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of gain or loss on disposal.

3.17 Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

3.18 Other income

Other income includes all income except the sale of fuel. This may include rental income, dividend income, gain on the sale of fixed assets, or any other miscellaneous income.

3 Summary of material accounting policies (continued)

3.19 Leases

The Group as a lessee

Right-of-use assets

The right-of-use assets are presented as a separate note line item in the statement of financial position. The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, plant and equipment' policy. Depreciation and amortization is calculated on a straight line basis over the lease term unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the interest rate implicit in the lease or, if that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

• where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;

• uses a build-up approach that starts with a risk-free interest rate; and

• makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease payments included in the measurement of the lease liability comprise of fixed lease payments (including in-substance fixed payments), less any lease incentives, amounts expected to be payable under a residual value guarantee and the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early. The lease liability is presented as a line item in the statement of financial position.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

• the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

• the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

• a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate. Upon implementation of LIBOR transition, remeasures the lease liability by discounting the revised lease payments using the revised discount rate that reflects the change to an alternative benchmark interest rate.

3 Summary of material accounting policies (continued)

3.19 Leases (continued)

The Group as lessor

Leases for which the Group is a lessor are classified as operating leases since the terms of the lease does not transfer substantially all the risks and rewards of ownership to the lessee. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are charged to operating expenses. When a contract includes lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

3.20 Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or in OCI.

Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax assets and liabilities are offset only if certain criteria are met

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

• temporary differences on the initial recognition of assets or liabilities in a transaction that:
- is not a business combination; and
- at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
• temporary differences related to investments in subsidiaries, associates, and joint arrangements to the extent that the Group able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
• taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences.

If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised, such reductions are reversed when the probability of future taxable profits improves.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption. Deferred tax assets and liabilities are offset only if certain criteria are met.

3.21 Earnings per share

Basic earnings per share is calculated by dividing profit or loss attributable to ordinary equity holders of the parent company by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is calculated by adjusting the basic earnings per share for the effects of all dilutive potential ordinary shares. The Group and the parent does not have any potentially dilutive shares at the reporting date.

3.22 Net asset per share

Net assets per share is calculated by dividing the net assets attributable to the ordinary shareholders of the Company by the ordinary shares outstanding at the reporting date.

4 Critical accounting estimates and judgements

Preparation of parent company and consolidated financial statements in accordance with IFRS requires the Group's and the Parent Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements, and the reported amounts of revenue and expenses during the reporting period. The determination of estimates require judgments which are based on historical experience, current and expected economic conditions, and all other available information. Actual results could differ from those estimates. The most significant areas requiring the use of management estimates and assumptions in these consolidated and separate financial statements relate to:

4.1 Key sources of estimation uncertainty

Impairment of receivables

When measuring ECL, the Group uses reasonable and supportable forward-looking information based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. The probability of default constitutes a key input in measuring an ECL and entails considerable judgment; it is an estimate of the likelihood of default over a given time horizon, the calculation of which involves historical data, assumptions and expectation of future conditions, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. It also requires management to assign the probability of default to various categories of receivables. (Refer note 12)

At the reporting date, carrying value of trade receivables for the Group were RO 71,957,146 (2023: RO 83,645,551) and the provision for expected credit loss was RO 6,643,737 (2023: RO 5,545,002).The net carrying value of trade receivables for the Parent were RO 102,406,590 (2023:89,896,545) and the provision for expected credit loss was RO 6,473,140 (2023: RO 5,419,691) Any difference between the amounts actually realised in future periods and the amounts expected to be realised will be recognised in the statement of comprehensive income.

Significant judgement in determining the term of lease contracts

The Group and the Parent Company determines the lease term as 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 Group and the Parent Company have an option, under some of its leases to lease the assets for additional terms. The Group and the Parent Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group and the Parent Company reassesses the lease-term if there is a significant event or change in the circumstances that is within its control and effects its ability to exercise (or not exercise) the option to renew or to terminate (e.g., a change in business strategy, or construction of significant leasehold improvements).

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5a. Property, plant and equipment

Group

	Land and buildings	Plant equipment and vehicles	Assets under construction*	Total
	RO	RO	RO	RO
Cost				
At 1 January 2023	44,017,741	62,549,392	3,281,533	109,848,666
Additions	-	-	5,480,373	5,480,373
Transfers	1,692,536	3,112,855	(4,805,391)	-
Transfer to intangible assets	-	-	(4,685)	(4,685)
Currency translation adjustment	(8,876)	(10,014)	(3,583)	(22,473)
Disposals	(126,075)	(706,809)	(49,931)	(882,815)
At 31 December 2023	**45,575,326**	**64,945,424**	**3,898,316**	**114,419,066**
Additions	**-**	**-**	**5,121,625**	**5,121,625**
Transfers	**2,850,799**	**2,702,693**	**(5,553,492)**	**-**
Transfer to intangible assets (Note 6.a)	-	-	**(227,474)**	**(227,474)**
Currency translation adjustment	**6,507**	**6,286**	**1,360**	**14,153**
Disposals	**(140,251)**	**(1,348,349)**	**-**	**(1,488,600)**
At 31 December 2024	**48,292,381**	**66,306,054**	**3,240,335**	**117,838,770**
Accumulated depreciation and impairment				
At 1 January 2023	13,745,030	41,828,133	-	55,573,163
Charge for the year	2,087,791	3,689,440	-	5,777,231
Disposals	(63,797)	(706,809)	-	(770,606)
Provision for impairment	-	521,416	-	521,416
Currency translation adjustment	(1,505)	(2,600)		(4,105)
At 31 December 2023	**15,767,519**	**45,329,580**	**-**	**61,097,099**
Charge for the year	**2,147,697**	**3,405,808**	**-**	**5,553,505**
Disposals	**(62,517)**	**(1,287,640)**	**-**	**(1,350,157)**
Currency translation adjustment	**1,664**	**2,337**		**4,001**
At 31 December 2024	**17,854,363**	**47,450,085**	**-**	**65,304,448**
Carrying value				
At 31 December 2024	**30,438,018**	**18,855,969**	**3,240,335**	**52,534,322**
At 31 December 2023	29,807,807	19,615,844	3,898,316	53,321,967

Notes

* Assets under construction mainly includes the capital investment dedicated to service stations which are currently under various stages of construction and value of related assets.

6a. Intangible assets

Group

	2024	2023
	RO	RO
Cost		
At 1 January	**3,246,926**	3,355,351
Transfers from asset under construction	**227,474**	4,685
Disposal during the year	**-**	(113,110)
At 31 December	**3,474,400**	3,246,926
Amortization		
At 1 January	2,939,644	2,761,388
Charge for the year	176,736	232,627
Disposal during the year	-	(54,371)
At 31 December	**3,116,380**	2,939,644
Carrying Value	**358,020**	307,282

Intangible assets mainly consist of computer softwares used in the ordinary course of business. The useful life of these intangible assets is four years.

5b. Property, plant and equipment

Parent

	Land and buildings	Plant equipment and vehicles	Assets under construction	Total
	RO	RO	RO	RO
Cost				
At 1 January 2023	38,625,957	54,901,372	1,573,361	95,100,690
Additions	-	-	3,785,166	3,785,166
Transfers	780,457	2,664,287	(3,444,744)	-
Transfer to intangible assets	-	-	(4,685)	(4,685)
Disposals	(126,075)	(756,739)	-	(882,814)
At 31 December 2023	**39,280,339**	**56,808,920**	**1,909,098**	**97,998,357**
Additions	**-**	**-**	**3,090,692**	**3,090,692**
Transfers	**669,488**	**2,037,401**	**(2,706,889)**	**-**
Transfer to intingible assets (Note 6.b)	**-**	**-**	**(213,474)**	**(213,474)**
Disposals	**(140,251)**	**(1,348,349)**	**-**	**(1,488,600)**
At 31 December 2024	**39,809,576**	**57,497,972**	**2,079,427**	**99,386,975**
Accumulated depreciation and impairment				
At 1 January 2023	13,557,481	41,643,293	-	55,200,774
Charge for the year	1,866,885	3,295,293	-	5,162,178
Disposals	(63,797)	(736,927)	-	(800,724)
Provision for impairment	-	521,416	-	521,416
At 31 December 2023	**15,360,569**	**44,723,075**	**-**	**60,083,644**
Charge for the year	**1,870,291**	**2,950,181**	**-**	**4,820,472**
Disposals	**(62,517)**	**(1,290,019)**	**-**	**(1,352,536)**
At 31 December 2024	**17,168,343**	**46,383,237**	**-**	**63,551,580**
Carrying value				
At 31 December 2024	**22,641,233**	**11,114,735**	**2,079,427**	**35,835,395**
At 31 December 2023	23,919,770	12,085,845	1,909,098	37,914,713

Notes
* Assets under construction mainly includes the capital investment dedicated to service stations which are currently under various stages of construction and value of related assets.

6b. Intangible assets

Parent

	2024	2023
	RO	RO
Cost		
At 1 January	**2,836,446**	2,831,761
Transfers from asset under construction	**213,474**	4,685
At 31 December	**3,049,920**	2,836,446
Amortization		
At 1 January	2,615,720	2,401,341
Charge for the year	158,145	214,379
At 31 December	**2,773,865**	2,615,720
Carrying Value	**276,055**	220,726

Intangible assets mainly consist of computer softwares used in the ordinary course of business

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7. Right of use assets and lease liability

7.1 Right of use assets

Group	Leasehold land	Offices	Total
	RO	RO	RO
At 1 January 2023	36,811,472	2,161,695	38,973,167
Additions	15,327,845	-	15,327,845
Re-measurement of right of use assets	(757,261)	-	(757,261)
Less: amortization	(5,743,206)	(304,410)	(6,047,616)
Currency translation adjustment	(139,716)	-	(139,716)
At 31 December 2023	**45,499,134**	**1,857,285**	**47,356,419**
Additions	**12,657,612**	**-**	**12,657,612**
Less: terminations	**(1,307,599)**	**(342,391)**	**(1,649,990)**
Re-measurement of right of use assets	**829,094**	**-**	**829,094**
Less: amortization	**(6,537,943)**	**(155,857)**	**(6,693,800)**
Currency translation adjustment	**65,296**	**-**	**65,296**
At 31 December 2024	**51,205,594**	**1,359,037**	**52,564,631**
Parent	**RO**	**RO**	**RO**
At 1 January 2023	14,794,409	1,722,586	16,516,995
Additions	5,499,534	-	5,499,534
Less: amortization	(3,957,442)	(249,215)	(4,206,657)
At 31 December 2023	**16,336,501**	**1,473,371**	**17,809,872**
Additions	**6,763,248**	**-**	**6,763,248**
Less: amortization	**(4,184,643)**	**(124,266)**	**(4,308,909)**
At 31 December 2024	**18,915,106**	**1,349,105**	**20,264,211**

7.2 Lease liabilities

Group and Parent	Group		Parent	
	2024	2023	**2024**	2023
	RO	RO	**RO**	RO
At 1 January 2023	**47,046,165**	37,347,125	**18,547,873**	16,411,584
Additions	**12,657,612**	15,327,845	**6,763,248**	5,499,534
Terminations*	**(1,908,849)**	-	**-**	-
Re-measurement of right of use assets	**829,094**	(757,261)	**-**	-
Interest expense on lease liabilities	**3,091,060**	2,405,456	**1,154,006**	953,239
Less: payments	**(8,748,680)**	(7,189,084)	**(5,062,627)**	(4,316,484)
Currency translation adjustment	**54,266**	(87,916)	**-**	-
At 31 December 2024	**53,020,668**	47,046,165	**21,402,500**	18,547,873
Lease liabilities - current portion	**5,189,691**	3,488,130	**3,424,125**	3,076,887
Lease liabilities - non-current portion	**47,830,977**	43,558,035	**17,978,375**	15,470,986
At 31 December 2024	**53,020,668**	47,046,165	**21,402,500**	18,547,873
The maturity analysis of undiscounted lease liabilities is as follows:				
Upto 1 year	**9,204,036**	6,254,930	**4,491,800**	4,005,693
Between 1 to 5 years	**30,547,444**	26,956,752	**16,461,425**	14,183,130
Above 5 years	**40,683,029**	39,244,227	**11,507,130**	9,496,233
	80,434,509	72,455,909	**32,460,355**	27,685,056

The Group leases several assets including land and buildings. The lease term ranges between 2 to 20 years (2023: 2 to 20 years). The expired contracts were replaced by new leases for identical underlying assets.

Amount recognised in statement of profit or loss				
Depreciation expense on right-of-use asset	**6,693,800**	6,047,616	**4,308,909**	4,206,657
Interest expense on lease liabilities	**3,091,060**	2,405,456	**1,154,006**	953,239
Expense related to short-term lease, variable lease, and low value assets (Note 26)	**1,464,056**	4,067,846	**864,611**	739,496
Gain on retirement of right-of-use assets (Note 22.2)	**258,860**	-	-	-

7. Right of use assets and lease liability (continued)

7.2 Lease liabilities

Group and Parent

a). The Group leases out its shops at fuel stations. The Group has classified these leases as operating leases because these leases have variable consideration and Group do not transfer substantially all of the risks and rewards incidental to the ownership of the leased assets. Rental income recognised during the year by the the Group is RO 3,110,117 (2023: RO 2,829,478) and for the parent is RO 1,881,978 (2023: RO 1,494,103).

b.) Termination* - During the year the Oman Oil Marketing Company LLC have terminated two lease agreements on account of closure of two stations and related remaining lease liability and right of use assets has been eliminated. Further, during the year the Company has agreed on a discount in lease rentals with few lessors for certain leases, which led to change in remaining lease payments and remeasurement impact of RO 829,094 on right of use and lease liability.

8. Investment in subsidiaries

Investment in subsidiaries are equity accounted. Where applicable, company's equity-accounted investments are translated into the presentation currency at the closing exchange rate for assets and liabilities, while the share of profit or loss is translated at the average exchange rate for the reporting period. Foreign exchange differences arising from translation are recognized in Other Comprehensive Income (OCI) and accumulated in the Foreign Currency Translation Reserve (FCTR). Upon disposal of an investment, the cumulative translation difference is reclassified to the income statement." The carrying value at reporting date is as follows:

		Parent	
		2024	2023
	% Holding	**RO**	RO
Oman Oil Marketing Company LLC (i)	100%	**4,298,734**	6,670,628
Ahlain International LLC (ii)	100%	**-**	-
Sultanate Energy Company Limited (iii)	100%	**4,024,915**	4,577,114
OOMCO Marine Fuel SPC (iv)	100%	**9,450,613**	9,684,364
		17,774,262	20,932,106

i) Oman Oil Marketing Company LLC was incorporated in the Kingdom of Saudi Arabia (KSA) on 16 January 2017 under a trade license issued by the Ministry of Commerce and Industry. The subsidiary is primarily engaged in the marketing and distribution of petroleum products. In the current year, the company has recognised its share of loss of RO 2,371,894 (2023: loss of RO 2,322,423) and there is no foreign currency translation difference recognised during the year (2023: Nil).

ii) Ahlain International LLC was incorporated on 19 March 2017 under a trade license issued by the Ministry of Commerce & Industry. The investee is engaged in the retail convenience stores and related operations in Sultanate of Oman. In the current year, the Company has recognised its share of loss of RO 601,822 (2023: loss of RO 1,368,177). During the year, net asset of Ahlain had eroded to negative RO 1,122,714 (2023: negative RO 1,054,892), which has been reclassified to other payable.

iii) Sultanate Energy Company Ltd was incorporated in the United Republic of Tanzania on 12 March 2019 under the Companies Act 2002. The entity is engaged in the marketing & distribution of petroleum products. In the current year the company has recognized its share of loss of RO 388,086 (2023: profit of RO 143,279). Further, the parent company has recorded a loss of RO 164,113 in OCI on translation of foreign currency balances as at balance sheet date.

iv) OOMCO Marine Fuel SPC was incorporated on 25 June 2020 under a trading license issued by the Ministry of Commerce & Industry under Special Economic Zone at Duqm and bunker licence assigned by the parent company. The investee is engaged in trading of bunker fuel.. During the year the Company has recognised its share of loss of RO 233,751 (2023: loss of RO 1,730,021).

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9. Investment in Joint Ventures

9.1 Electric Vehicle One LLC

During 2023, the Parent Company collaborated with Synergy Investments LLC, a company incorporated in Sultanate of Oman, to establish a Joint Venture named Electric Vehicle One LLC (EVO) through a contract signed on 30 August 2023. During 2024, the Parent Company contributed a 50% equity stake in this venture by transferring assets valued at RO 227,476 and agreed to settle the balancing amount of RO 31,631 in cash. The primary aim of the joint venture is to initiate and operate electric vehicle charging stations across the Sultanate of Oman.

Summarised unaudited financial information of the joint venture as on 31 December 2024 is as follows

	2024	2023
	RO	RO
Non-current assets	**594,556**	-
Current assets	**86,992**	-
Total assets	**681,548**	-
Current liabilities	**(193,722)**	-
Net assets	**487,826**	-
Company's share in net assets of the joint venture	**259,107**	-
Income	**159,244**	-
Expenses	**(189,632)**	-
Loss for the year	**(30,388)**	-
Share of loss of Joint venture	**(15,194)**	-
Carrying value of investment in Electric Vehicle One LLC	**243,913**	-

9.2 TFG OOMCO LLC

In 2024, TFG OOMCO LLC was established as a joint venture between the Parent Company and TFG Marine Pte Ltd (TFG) to conduct bunker business operations in the Special Economic Zone at Duqm. Under the joint venture agreement, parent company holds a 49% ownership interest, while TFG holds 51%. As of the reporting date, the joint venture has not commenced commercial operations, and the Parent Company has not made any financial investments in this initiative.

10. Other Investment at fair value through profit and loss account

	Group		**Parent**	
	2024	2023	**2024**	2023
	RO	RO	**RO**	RO
Carrying value at 1st January 2023	**316,613**	316,613	**316,613**	316,613
Fair value loss for the year	**(19,273)**	-	**(19,273)**	-
Carrying value at 31st December 2024	**297,340**	316,613	**297,340**	316,613

11. Inventories

	Group		Parent	
	2024	2023	**2024**	2023
	RO	RO	**RO**	RO
Fuel and lubricants	**7,075,814**	8,662,651	**5,869,776**	6,939,947
Food and beverages	**691,036**	628,437	**-**	-
	7,766,850	9,291,088	**5,869,776**	6,939,947
Less: allowance for obsolete inventories	**(521,546)**	(581,823)	**(476,221)**	(541,758)
	7,245,304	8,709,265	**5,393,555**	6,398,189

Movement in the allowance for obsolete inventories during the period is as follows:

	Group		Parent	
	2024	2023	**2024**	2023
	RO	RO	**RO**	RO
At 1 January	**581,823**	650,492	**541,758**	608,883
Reversal recorded during the year	**(60,277)**	(7,337)	**(65,537)**	(67,125)
Written off during the year	**-**	(61,332)	**-**	-
At 31 December 2024	**521,546**	581,823	**476,221**	541,758

Inventories of RO 751,767,075 (December 2023: RO 767,631,987) were consumed and recognised as an expense during the year and included in cost of sales of Group.

Inventories of RO 672,407,145 (December 2023: RO 684,144,533) were consumed and recognised as an expense during the year and included in cost of sales of Parent Company.

12. Trade and other receivables

12.1 Trade and other receivables (current)

	Group		Parent	
	2024	2023	**2024**	2023
	RO	RO	**RO**	RO
Trade receivables	**58,280,634**	52,941,688	**53,348,071**	50,728,841
Amounts due from related parties (Note 24)	**13,676,512**	30,703,863	**39,697,435**	39,167,704
Less: allowance for expected credit losses	**(6,643,737)**	(5,545,002)	**(6,473,140)**	(5,419,691)
	65,313,409	78,100,549	**86,572,366**	84,476,854
Other receivables	**3,015,218**	6,013,026	**94,994**	111,651
VAT recoverable	**2,579,481**	8,039,250	**940,410**	6,751,106
	70,908,108	92,152,825	**87,607,770**	91,339,611

12.2 Long term receivables (non-current)

	Group		Parent	
	2024	2023	**2024**	2023
	RO	RO	**RO**	RO
Amounts due from related parties (Note (a) & 24)	**-**	-	**9,361,084**	-

a) Due from related parties relates to shareholder loan to subsidiary for the purpose of financing working capital at interest rate prevailing in the market. Both the principal and accrued interest are payable at the end of the tenure of 24 months from the withdrawal date.

Following table shows the movement in life time ECL recognised in accordance with the simplified approach set out in IFRS 9:

	Group		Parent	
	2024	2023	**2024**	2023
	RO	RO	**RO**	RO
At 1 January	**5,545,002**	5,244,503	**5,419,691**	5,184,896
Written off during the year	**-**	(24,115)	**-**	-
Provided during the year	**1,098,735**	324,614	**1,053,449**	234,795
	6,643,737	5,545,002	**6,473,140**	5,419,691

12. Trade and other receivables (continued)

The following table details the risk profile of trade receivables including due from related parties based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer

Group

Trade receivables including due from related parties days past due	**Weighted average loss rate**	**Gross carrying amount**	**Expected life time credit loss**	**Net Carrying amount**
31-Dec-24	**RO**	**RO**	**RO**	**RO**
Not past due	**0.61%**	**41,267,442**	**253,387**	**41,014,055**
< 30 days	**0.45%**	**11,594,871**	**52,116**	**11,542,755**
31-60 days	**1.59%**	**2,753,064**	**43,719**	**2,709,345**
61-90 days	**2.63%**	**1,488,543**	**39,167**	**1,449,376**
> 90 days	**42.11%**	**14,853,226**	**6,255,348**	**8,597,878**
		71,957,146	**6,643,737**	**65,313,409**
31-Dec-23				
Not past due	0.46%	44,002,624	204,506	43,798,118
< 30 days	0.28%	18,759,667	53,306	18,706,361
31-60 days	0.76%	7,057,179	53,841	7,003,338
61-90 days	2.78%	1,200,968	33,405	1,167,563
> 90 days	41.19%	12,625,113	5,199,944	7,425,169
		83,645,551	5,545,002	78,100,549

Parent

Trade receivables including due from related parties days past due	**Weighted average loss rate**	**Gross carrying amount**	**Expected life time credit loss**	**Net Carrying amount**
31-Dec-24	**RO**	**RO**	**RO**	**RO**
Not past due	**0.24%**	**73,484,025**	**175,819**	**73,308,206**
< 30 days	**0.42%**	**11,473,069**	**48,047**	**11,425,022**
31-60 days	**1.32%**	**2,628,924**	**34,819**	**2,594,105**
61-90 days	**2.24%**	**1,159,421**	**25,941**	**1,133,480**
> 90 days	**45.30%**	**13,661,151**	**6,188,514**	**7,472,637**
		102,406,590	**6,473,140**	**95,933,450**
31-Dec-23				
Not past due	0.39%	51,374,151	198,690	51,175,461
< 30 days	0.28%	18,748,423	53,306	18,695,117
31-60 days	0.70%	7,006,777	48,878	6,957,899
61-90 days	2.87%	1,137,094	32,650	1,104,444
> 90 days	43.73%	11,630,100	5,086,167	6,543,933
		89,896,545	5,419,691	84,476,854

13. Cash and cash equivalents

	Group		Parent	
	2024	2023	**2024**	2023
	RO	RO	**RO**	RO
Cash on hand	**170,264**	119,190	**4,957**	5,757
Short term call deposits*	**20,023,296**	1,417,391	**2,520**	1,417,391
Cash in bank	**77,138,753**	25,639,694	**71,051,086**	21,177,301
Cash and cash equivalents	**97,332,313**	27,176,275	**71,058,563**	22,600,449

Cash in bank balances are with commercial banks in Oman, United Arab Emirates, Kingdom of Saudi Arabia and Tanzania, and are denominated in Omani Rial, Saudi Riyals, UAE Dirham, Tanzanian shilling and US Dollars.

Short term call deposits represent an amount of RO 20,023,296 placed with the commercial bank at the prevailing market interest rate for the period of 3 months.

14. Share capital

The Company's authorised share capital consists of RO 15,000,000 (2023: RO 15,000,000).

The Company had issued fully paid-up shares at the par value of 100 baisa. The value of the issue was RO 6,450,000 (2023: RO 6,450,000). Below are the details of shares entirely issued and paid up.

	Group		Parent	
	Number of shares		Number of shares	
	2024	2023	**2024**	2023
3,225,000 Multi-vote shares	**3,225,000**	3,225,000	**3,225,000**	3,225,000
61,275,000 Ordinary shares	**61,275,000**	61,275,000	**61,275,000**	61,275,000
	64,500,000	64,500,000	**64,500,000**	64,500,000

In accordance with Article 5 of the Company's Articles of Association, the holder of each multi-vote share is entitled to two votes at the annual general meeting of the Company. Multi-vote shares are considered as ordinary shares for purposes of basic and diluted earnings per share.

Shareholders of the Company who own 10% or more of the Company's shares, whether in their name or through a nominee account, are as follows:

	Group		Parent	
	Number of shares		Number of shares	
	2024	2023	**2024**	2023
OQ SAOC- Multi-vote shares	**3,225,000**	3,225,000	**3,225,000**	3,225,000
- Ordinary shares	**28,380,000**	28,380,000	**28,380,000**	28,380,000
Civil Services Pension Fund - Ordinary shares	**8,352,027**	8,352,027	**8,352,027**	8,352,027
	39,957,027	39,957,027	**39,957,027**	39,957,027

15. Legal reserve and Foreign currency translation reserve

15.a Legal reserve

As per the Article 132 Commercial Companies Law of the Sultanate of Oman, 10% of the profit for the year is required to be transferred to a non-distributable legal reserve until the amount of legal reserve is equal to one-third of the issued share capital.

15.b Foreign currency translation reserve

This translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as the foreign currency differences arising on net investments in foreign operations.

16. Employees' end-of-service benefits

	Group		Parent	
	2024	2023	**2024**	2023
	RO	RO	**RO**	RO
At 1 January	**221,014**	198,620	**209,346**	187,072
Expense for the year	**102,053**	62,269	**81,084**	55,808
Payments during the year	**(26,550)**	(39,875)	**(25,698)**	(33,534)
	296,517	221,014	**264,732**	209,346

17. Trade and other payables

	Group		Parent	
	2024	2023	**2024**	2023
	RO	RO	**RO**	RO
Trade payables	**7,483,383**	10,297,195	**2,846,560**	4,118,951
Trade payables - due to related parties (Note 24)	**67,109,400**	62,640,399	**67,109,400**	62,640,399
Accrued expenses	**6,635,925**	5,464,677	**5,638,115**	5,160,112
Other payables	**1,028,817**	777,385	**2,177,058**	1,832,277
Loyalty program	**493,834**	360,907	**493,834**	360,907
Directors' remuneration payable (Note 24)	**74,000**	20,000	**74,000**	20,000
	82,825,359	79,560,563	**78,338,967**	74,132,646

18. Bank borrowings

	Group		Parent	
	2024	2023	**2024**	2023
	RO	RO	**RO**	RO
Current portion (Note a)	**60,000,000**	1,033,508	**60,000,000**	-
Non-current portion (Note b)	**-**	20,000,000	**-**	20,000,000

a) Short term loan represents facilities obtained from local banks for the purpose of financing working capital at interest rate prevailing in the market. There are no covenants for this bank loan for year 2024 and 2023. Both the principal and accrued interest are payable at the end of the tenure of 3 months.

b) During 2023, The loan contains covenants that requires the Group to achieve the Debt Service Coverage Ratio (DCSR) of greater than 1.25x or higher. The other covenant was Total borrowing to adjusted tangible net worth not exceed 3.00x. The Group has complied to all these covenants during 2023.

19. Income tax and zakat

	Group		Parent	
	2024	2023	**2024**	2023
Current liability:	**RO**	RO	**RO**	RO
Current year - income tax	**1,909,062**	1,988,259	**1,904,604**	1,987,981
Current year - zakat expense	**186,264**	103,480	**-**	-
Prior years	**119,079**	121,181	**155,516**	147,354
	2,214,405	2,212,920	**2,060,120**	2,135,335
Charge during the year				
Current year - income tax	**1,909,062**	1,988,259	**1,904,604**	1,987,981
Current year - zakat expense	**186,264**	103,480	**-**	-
Deferred tax	**(153,952)**	(297,703)	**(153,952)**	(297,703)
	1,941,374	1,794,036	**1,750,652**	1,690,278

	Group		Parent	
	2024	2023	**2024**	2023
Deferred tax asset:	**RO**	RO	**RO**	RO
At 1 January	**2,021,227**	1,723,524	**2,021,227**	1,723,524
Movement for the year	**153,952**	297,703	**153,952**	297,703
	2,175,179	2,021,227	**2,175,179**	2,021,227

	Group		Parent	
	2024	2023	**2024**	2023
	RO	RO	**RO**	RO
Provisions and other charges	**1,105,382**	1,049,783	**1,105,382**	1,049,783
Property, plant and equipment	**899,054**	860,744	**899,054**	860,744
Right of use assets	**(3,039,632)**	(2,671,481)	**(3,039,632)**	(2,671,481)
Lease liability	**3,210,375**	2,782,181	**3,210,375**	2,782,181
	2,175,179	2,021,227	**2,175,179**	2,021,227

19. Income tax and zakat (continued)

Unrecognized deferred tax assets:

	Group			
	2024		2023	
	Gross Amount	**Tax effect**	Gross Amount	Tax effect
	RO	**RO**	RO	RO
Deductible temporary difference	**870,698**	**255,568**	488,311	141,059
Tax losses	**2,907,231**	**447,671**	2,532,590	426,343

Deferred tax assets have not been recognized for the above items due to uncertainty regarding the availability of sufficient taxable profit within the allowable utilization period under the income tax regulations of the respective countries.

The Company is subject to income tax in accordance with the Income Tax Law of the Sultanate of Oman at the enacted tax rate of 15% (2023: 15%). For the purpose of determining the tax expense for the year, the accounting profit has been adjusted for tax purposes.

Subsidiaries are companies registered in the Sultanate of Oman, Kingdom of Saudi Arabia (KSA) and Tanzania of which the tax rate applicable in Sultanate of Oman is 15%, Tanzania is 30% and 2.5% Zakat in Kingdom of Saudi Arabia. OOMCO Marine Fuel SPC Company is registered within Special Economic Zone at Duqm and entitle for tax exemption. The assessment of subsidiaries with tax authorities are at different stages of completion. The Company and each subsidiaries are assessed separately for taxation. The group as an entity is not taxable.

The reconciliation of tax as per accounting profit to effective tax is set out below:

Reconciliation of tax:	Group		Parent	
	2024	2023	**2024**	2023
	RO	RO	**RO**	RO
Profit before tax	**7,009,930**	5,922,267	**6,819,208**	5,818,509
Income tax	**1,046,713**	872,776	**1,046,713**	872,776
On account of subsidiaries	**4,458**	278	**-**	-
Expenses disallowed	**704,394**	817,502	**703,939**	817,502
Effective tax	**1,755,565**	1,690,556	**1,750,652**	1,690,278

The Parent Company has calculated income tax at an corporate tax rate of 15% for the year ended 31 December 2024 (31 December 2023: 15%)

The adjustments are based on the current understanding of the existing tax laws, regulations and practices.

The income tax assessment for SECL is finalized by the local tax consultants. The estimated income tax during the period is NIL. This is due to the fact that the company is a loss making and therefore, the income tax paid in advance during April 2024 will be recovered

The income tax assessments for Oman Oil Marketing Company LLC (KSA) is finalised up to 2020, Sultanate Energy Company Limited has been finalised up to 2021, Ahlain International LLC up to 2023 and Oman Oil Marketing Company SAOG (Parent) is finalised up to 2022 with the relevant taxation departments. The Management considers that additional tax liability, if any, for the remaining years would not be material to the financial position of the Group as at 31 December 2024.

20. Environmental provision

	Group		Parent	
	2024	2023	**2024**	2023
	RO	RO	**RO**	RO
At 1 January	**200,245**	200,245	**200,245**	200,245
Utilized during the period	**(1,630)**	-	**(1,630)**	-
	198,615	200,245	**198,615**	200,245

The Group provides for environmental remediation costs based on internal assessment of environmental contamination made on its service stations. The provision of RO 198,615 (2023: RO 200,245) is expected to be used as per site specific remediation plan.

21. Prepayments and other current assets

	Group		Parent	
	2024	2023	**2024**	2023
	RO	RO	**RO**	RO
Rent prepaid	**2,400,911**	1,944,702	**70,625**	185,682
Advance for fuel purchase	**550,466**	972,549	**-**	-
Other prepayments	**465,734**	795,493	**427,659**	635,979
	3,417,111	3,712,744	**498,284**	821,661

22.1 Revenue

The Group generates revenue from the sale of fuel, lubricants and other products to its customers. The below tables disclose the revenue disaggregated by geographical location and nature of operations.

	Group		Parent	
Revenue based on nature of operations	**2024**	2023	**2024**	2023
	RO	RO	**RO**	RO
Retail	**627,367,277**	568,641,096	**553,037,853**	518,065,868
Commercial	**84,656,771**	109,364,990	**84,656,771**	109,364,990
Aviation	**61,834,611**	76,402,244	**61,834,611**	76,402,244
Others	**29,919,787**	64,858,566	**15,952,358**	23,640,036
	803,778,446	819,266,896	**715,481,593**	727,473,138
Revenue based on geographical location				
Sultanate of Oman	**729,449,022**	768,691,668	**715,481,593**	727,473,138
International	**74,329,424**	50,575,228	**-**	-
	803,778,446	819,266,896	**715,481,593**	727,473,138

All of the revenue is recognised at a point in time.

22.2 Other income

	Group		Parent	
	2024	2023	**2024**	2023
Rental income	**3,110,117**	2,829,478	**1,881,978**	1,494,103
Advertisement income	**329,519**	216,949	**-**	-
Gain on retirement of right-of-use assets	**258,860**	-	**-**	-
Other incidental income	**590,169**	1,113,583	**662,120**	990,819
	4,288,665	4,160,010	**2,544,098**	2,484,922

23. Finance expense - net

	Group		Parent	
	2024	2023	**2024**	2023
	RO	RO	**RO**	RO
Interest income on deposits	**1,209,911**	694,929	**1,197,319**	694,929
Interest income on inter company loan	**-**	-	**-**	61,835
Interest expenses on borrowings	**(1,475,048)**	(1,862,534)	**(1,475,048)**	(1,862,534)
	(265,137)	(1,167,605)	**(277,729)**	(1,105,770)

During the period, the Parent obtained term loans from financial institutions at interest rate prevailing in the market.

Finance income and cost

Finance income/cost comprises interest received on deposits and interest expense that are recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial

– the gross carrying amount of the financial asset; or
– the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

24. Related party transactions

The Group enters into transactions with companies and entities that fall within the definition of a related party as contained in IAS 24 Related Party Disclosures. The Group maintains balances with these related parties which arise in the normal course of business. The sales to and purchases from related parties are made on mutually agreed terms.

In the normal course of business, the Group provides services on commercial terms to related parties and avails services from related parties. The significant related party transactions during the year were as follows:

	Group		Parent	
	2024	2023	**2024**	2023
	RO	RO	**RO**	RO
Revenue				
Fuel sales to other related parties - entities under common control	**55,865,857**	105,844,123	**55,865,857**	105,844,123
Fuel sales to subsidiaries	**-**	-	**751,355**	1,619,411
Costs				
Cost of goods sold includes fuel purchases from other related parties-entities under common control	**697,586,769**	713,098,476	**697,586,769**	713,098,476
Payments /(receivable) on behalf of subsidiaries	**-**	-	**887,424**	102,558
Interest income from shareholder loan to subsidiary	**-**	-	**-**	61,835
Brand royalty to Holding Company	**636,688**	647,079	**636,688**	647,079
Directors' sitting fees	**37,300**	26,300	**37,300**	26,300
Directors remuneration and fees	**74,000**	20,000	**74,000**	20,000
Shareholder loan to subsidiaries				
- Oman Oil Marketing Company LLC	**-**	-	**6,368,208**	2,992,876
- OOMCO Marine Fuel SPC	**-**	-	**20,020,780**	-
Compensation of key management personnel				
- Short-term employee benefits	**1,015,806**	947,515	**1,015,806**	947,515
- Post-employment benefits	**38,070**	38,250	**38,070**	38,250

	Group		Parent	
	2024	2023	**2024**	2023
Balances				
Due from related parties				
- from subsidiary companies	**-**	-	**35,382,007**	8,463,841
- from other related companies	**13,676,512**	30,703,863	**13,676,512**	30,703,863
Total - Due from related parties (Note 12)	**13,676,512**	30,703,863	**49,058,519**	39,167,704
Due to related parties				
- to other related companies - entities under common control	**66,949,213**	62,471,783	**66,949,213**	62,471,783
- to Holding Company	**160,187**	168,616	**160,187**	168,616
Total - Due to related parties (Note 17)	**67,109,400**	62,640,399	**67,109,400**	62,640,399
Directors remuneration (Note 17)	**74,000**	20,000	**74,000**	20,000

The total remuneration paid to non-executive directors comprising sitting fees and remuneration is in accordance with the provisions, and within the limits of, the Commercial Companies Law, the Financial Services Authority (formerly the Capital Market Authority) guidance and the Articles of Association of the Company. Director's remuneration is recognised in the statement of profit or loss.

For the year ended 31 December 2024, based on ECL calculation, the Group has recorded impairment loss of RO 104,762 on receivables amounts owed by other related parties (2023: RO 66,872). The balances of due from subsidaries companies are not past due. The expected credit loss on these receivables is assessed based on a 12-month expected loss model and the impact is not material.

In accordance with IAS 24 "Related Party Disclosures", the Group has chosen to avail partial exemption under IAS 24 available to government entities, including the Oman Investment Authority (OIA) and other entities controlled, jointly controlled, or significantly influenced by the Government of Oman. All individually significant transactions and balances are disclosed in the notes above. However, the Group has opted to provide qualitative disclosures for transactions that are individually insignificant but collectively significant. These transactions and balances include the procurement of utilities such as electricity, internet, and telecommunications, as well as employee-related transactions such as contributions made to PASI.

25. Staff costs

	Group		Parent	
	2024	2023	**2024**	2023
	RO	RO	**RO**	RO
Wages, salaries and allowances	**8,321,621**	6,800,562	**6,763,436**	6,006,887
End-of-service benefits	**102,053**	62,269	**81,084**	55,808
Social security costs	**472,027**	378,092	**369,827**	324,287
Other employee benefits	**402,498**	495,023	**402,498**	495,023
	9,298,199	7,735,946	**7,616,845**	6,882,005

26. Other operating expenses

The other operating expenses of the Group and Company includes transportation costs, temporary staff costs, operating leases, Ministry of Commerce and Industry licence fee, brand royalty, maintenance and business promotion expense etc.

	Group		Parent	
	2024	2023	**2024**	2023
	RO	RO	**RO**	RO
Contracted manpower cost	**5,490,378**	4,801,824	**3,921,444**	3,392,864
Site operation expenses	**4,020,940**	3,764,150	**1,261,537**	1,361,499
Materials and maintenance	**2,946,364**	2,663,929	**2,572,719**	2,353,549
Ministry of Commerce and Industry license fee	**1,878,983**	1,877,342	**1,878,983**	1,877,342
Promotion and advertisement	**1,100,211**	1,517,143	**987,858**	1,338,239
Rent expense (Refer Note 7.2)	**1,464,056**	4,067,846	**864,611**	739,496
Brand royalty payable to Holding Company	**636,688**	647,079	**636,688**	647,079
Board sitting fees	**37,300**	26,300	**37,300**	26,300
Audit fee	**72,644**	56,990	**29,250**	17,700

Audit fee include the audit fee of RO 72,644 for the Group (2023: RO 56,990) and RO 29,250 for the parent company (2023: RO 17,700). The provision include the non-audit fees from external auditor of RO 5,920 (2023: RO 5,420) for the Group and RO 4,600 for the parent company. (2023: RO 4,100)

27. Dividends

The Board of Directors has proposed a cash dividend of RO 0.050 per share for year 2024, amounting to RO 3,225,000 the, which is subject to shareholders approval at the next Annual General Meeting to be held on 27th March 2025. During the year, the Group and the Parent Company has paid a dividend of RO 0.032 per share, amounting to RO 2,064,000 (2023: RO 0.050 per share, amounting to RO 3,225,000) related to the financial year ended 31 December 2023 which was approved by the Board of Directors in the meeting held on 28th March 2024.

28. Commitments

	Group		Parent	
	2024	2023	**2024**	2023
	RO	RO	**RO**	RO
Capital commitments				
Estimated capital expenditure contracted for at the reporting date related to property and equipment.	**15,082,490**	3,950,580	**11,430,255**	2,194,235

29. Basic and diluted earnings per share

The par value of each share is RO 100 Baizas. The basic and diluted earnings per share are calculated by dividing the net profit for the year by the weighted average number of shares outstanding during the year as follows:

	Group		Parent	
	2024	2023	**2024**	2023
	RO	RO	**RO**	RO
Net profit for the year (RO)	**5,068,556**	4,128,231	**5,068,556**	4,128,231
Weighted average number of shares (Note 14)	**64,500,000**	64,500,000	**64,500,000**	64,500,000
Basic and diluted earnings per share (RO)	**0.079**	0.064	**0.079**	0.064

30. Net assets per share

This is a non gaap measure. Net assets per share is calculated by dividing the shareholders' equity of the Group at the year-end by the number of shares outstanding as follows:

	Group		Parent	
	2024	2023	**2024**	2023
	RO	RO	**RO**	RO
Shareholders' equity (RO)	**86,237,113**	83,047,150	**86,237,113**	83,396,670
Number of shares outstanding at the end of the year	**64,500,000**	64,500,000	**64,500,000**	64,500,000
Net assets per share (RO)	**1.337**	1.288	**1.337**	1.293

31. Contingencies

At 31 December 2024, the Group and the Company had contingent liabilities in respect of guarantees and other matters arising in the ordinary course of business, from which it is anticipated that no material liabilities will arise, amounting to RO 2,336,913 (2023: RO 8,804,706) and RO 2,096,451 (2023: RO 8,804,706) respectively.

The Group is subject to litigations in the normal course of business. The Group based on independent legal advice does not believe that outcome of these court cases will have material impact on the Group's income or financial position. The financial impact on these cases is expected to be RO 138,981 for 2024 (2023: RO 114,113).

32. Reconciliation of liabilities arising from financing activities

Group

	Liabilities		Equity	
	Loans & Borrowings	**Lease Liabilities**	**Retained Earnings**	**Total**
Balance at 1 January 2024	**21,033,508**	**47,046,165**	**74,796,670**	**142,876,343**
Proceeds from loan and borrowings	**267,277,314**	**-**	**-**	**267,277,314**
Repayment of loan and borrowings	**(228,333,508)**	**-**	**-**	**(228,333,508)**
Repayment of lease liability	**-**	**(5,657,620)**	**-**	**(5,657,620)**
Dividends paid	**-**	**-**	**(2,064,000)**	**(2,064,000)**
Total changes from financing cash flows	**38,943,806**	**(5,657,620)**	**(2,064,000)**	**31,222,186**
Other changes				
Lease additions	**-**	**12,657,612**	**-**	**12,657,612**
Terminations	**-**	**(1,908,849)**	**-**	**(1,908,849)**
Interest expense	**1,475,048**	**3,091,060**	**-**	**4,566,108**
Re-measurement of right of use assets	**-**	**829,094**	**-**	**829,094**
Currency translation adjustment	**22,686**	**54,266**	**-**	**76,952**
Interest paid	**(1,475,048)**	**(3,091,060)**	**-**	**(4,566,108)**
Total liability-related other changes	**22,686**	**11,632,123**	**-**	**11,654,809**
Total equity-related other changes	**-**	**-**	**5,068,556**	**5,068,556**
Balance at 31 December 2024	**60,000,000**	**53,020,668**	**77,801,226**	**190,821,894**

	Liabilities		Equity	
	Loans & Borrowings	Lease Liabilities	Retained Earnings	Total
Balance at 1 January 2023	10,000,000	37,347,125	73,893,439	121,240,564
Proceeds from loan and borrowings	357,033,508	-	-	357,033,508
Repayment of loan and borrowings	(345,958,375)	-	-	(345,958,375)
Repayment of lease liability	-	(4,783,628)	-	(4,783,628)
Dividends paid	-	-	(3,225,000)	(3,225,000)
Total changes from financing cash flows	11,075,133	(4,783,628)	(3,225,000)	3,066,505
Other changes				
Lease additions	-	15,327,845	-	15,327,845
Terminations	-	-	-	-
Interest expense	1,862,534	2,405,456	-	4,267,990
Re-measurement of right of use assets	-	(757,261)	-	(757,261)
Currency translation adjustment	(41,625)	(87,916)	-	(129,541)
Interest paid	(1,862,534)	(2,405,456)	-	(4,267,990)
Total liability-related other changes	(41,625)	14,482,668	-	14,441,043
Total equity-related other changes	-	-	4,128,231	4,128,231
Balance at 31 December 2023	21,033,508	47,046,165	74,796,670	142,876,343

32. Reconciliation of liabilities arising from financing activities (continued)

Parent

	Liabilities		Equity	
	Loans & Borrowings	**Lease Liabilities**	**Retained Earnings**	**Total**
Balance at 1 January 2024	**20,000,000**	**18,547,873**	**74,796,670**	**113,344,543**
Proceeds from loan and borrowings	**267,300,000**	**-**	**-**	**267,300,000**
Repayment of loan and borrowings	**(227,300,000)**	**-**	**-**	**(227,300,000)**
Repayment of lease liability	**-**	**(3,908,621)**	**-**	**(3,908,621)**
Dividends paid	**-**	**-**	**(2,064,000)**	**(2,064,000)**
Total changes from financing cash flows	**40,000,000**	**(3,908,621)**	**(2,064,000)**	**34,027,379**
Other changes				
Lease additions	**-**	**6,763,248**	**-**	**6,763,248**
Interest expense	**1,475,048**	**1,154,006**	**-**	**2,629,054**
Re-measurement of right of use assets	**-**	**-**	**-**	**-**
Interest paid	**(1,475,048)**	**(1,154,006)**	**-**	**(2,629,054)**
Total liability-related other changes	**-**	**6,763,248**	**-**	**6,763,248**
Total equity-related other changes	**-**	**-**	**5,068,556**	**5,068,556**
Balance at 31 December 2024	**60,000,000**	**21,402,500**	**77,801,226**	**159,203,726**

	Liabilities		Equity	
	Loans & Borrowings	Lease Liabilities	Retained Earnings	Total
Balance at 1 January 2023	10,000,000	16,411,584	73,893,439	100,305,023
Proceeds from loan and borrowings	356,000,000	-	-	356,000,000
Repayment of loan and borrowings	(346,000,000)	-	-	(346,000,000)
Repayment of lease liability	-	(3,363,245)	-	(3,363,245)
Dividends paid	-	-	(3,225,000)	(3,225,000)
Total changes from financing cash flows	10,000,000	(3,363,245)	(3,225,000)	3,411,755
Other changes				
Lease additions	-	5,499,534	-	5,499,534
Interest expense	1,862,534	953,239	-	2,815,773
Interest paid	(1,862,534)	(953,239)	-	(2,815,773)
Total liability-related other changes	-	5,499,534	-	5,499,534
Total equity-related other changes	-	-	4,128,231	4,128,231
Balance at 31 December 2023	20,000,000	18,547,873	74,796,670	113,344,543

33. Financial risk management

The Group's activities expose it to a variety of financial risks including the effects of changes in market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out by the management under policies approved by the Board of Directors (the Board). The Board has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has entrusted the audit committee with the responsibility of the development and monitoring the Group's risk management policies and procedures and its compliance with them. These policies and systems are reviewed regularly to ensure that they reflect any changes in market conditions and the Group's activities. The Group, through its induction and training program, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

33. Financial risk management (continued)

(a) Market risk

Foreign exchange risk

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. The Company is exposed to foreign currency risk arising from currency exposures with respect to US Dollar, UAE Dirhams, Saudi Arabian Rials and Tanzanian shilling. The majority of foreign currency transactions are denominated in US Dollar and GCC currencies. The Company is not exposed to currency risk as the Rial Omani and GCC currencies listed above are pegged to the US Dollar. Management believes that the impact of the fluctuations from transactions and balances denominated in Tanzanian shilling is not significant at 31 December 2024 and 2023.

Interest rate risk

The Group's and Company's interest rate risk arises from bank borrowings and bank deposits. The Group analyses its interest rate exposure on a regular basis and reassesses the source of borrowings and renegotiates interest rates at terms favourable to the Group. The Group limits interest rate risk on bank deposits by monitoring changes in interest rates. Management has estimated the effect on profit for the year due to increase or decrease in interest rates to be insignificant.

Price risk

As at 31 December 2024, the Group is not exposed to significant equity securities or commodity price risk.

(b) Credit risk

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from cash at bank, credit exposures to customers and other receivables. The Group has a credit policy in place and exposure to credit risk is monitored on an on-going basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The Group requires bank guarantees on higher credit risk customers. The Group does not require collateral in respect of all other financial assets.

Investments are made in liquid securities and only with commercial banks in Oman. Management does not expect any counter party to fail to meet its obligations.

Concentration of credit risk arises when a number of counter-parties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Group's and Company's performance to developments affecting a particular industry or geographical location.

Trade receivables including due from related parties

Credit is extended to corporate customers only with an objective of optimising the Group's and Company's profits and the prime responsibility for providing credit to customers and the timely collection of all debts rests with the functional manager. Credit has a cost to the business and necessary controls and procedures are established to manage the Group's and Parent company's credit risk and its working capital. It is, therefore, the Group's policy to have effective credit control systems in place which are flexible enough to respond to changing market needs yet rigorous enough to ensure that customer credit limits are established and regularly updated on the basis of reliable up-to-date information.

Generally, credits are not allowed in excess of agreed credit periods except for government customers and debts are collected within agreed credit terms and grace days. A stop supply mechanism is in place which will automatically inactivate customer accounts and stop further supplies in the event of a delay of payment beyond the credit period and the grace days. All exceptions and overrides are approved in line with the policy guidelines. Debtor positions are regularly monitored and reviewed to assess the overall risk and exposure. Though losses on account of default are infrequent, adequate provisions for impairment based on the ageing of the debts are made to reflect the debtors position as accurately as possible in the financial statements. Outstanding balances of more than 90 days are considered to be in default by management.

The maximum exposure to credit risk for trade and other receivables including due from other related parties (considered as being the gross carrying value before impairment provisions) at the reporting date by type of customer was:

33. Financial risk management (continued)

	Group		Parent	
	2024	2023	**2024**	2023
	RO	RO	**RO**	RO
Commercial	**33,498,284**	32,665,890	**32,782,769**	32,665,890
Retail	**5,996,004**	8,481,068	**5,933,497**	7,146,001
Others	**32,462,858**	42,498,593	**54,329,240**	50,084,654
	71,957,146	83,645,551	**93,045,506**	89,896,545
Less: Allowance for credit loss	**(6,643,737)**	(5,545,002)	**(6,473,140)**	(5,419,691)
	65,313,409	78,100,549	**86,572,366**	84,476,854

Bank balances

Balances with banks are assessed to have a low credit risk of default since the central bank highly regulates these banks. Accordingly, the management of the Group estimates the loss allowance on balances with banks at the end of the reporting period at an amount equal to 12-month ECL. None of the balances with the bank at the end of the reporting period are past due and taking into account the historical default experience and the current credit ratings of the bank, the management of the Group has assessed that the impairment so assessed is immaterial and hence have not recorded any loss or allowances on these balances.

The Group limits its credit risk with regard to bank balance deposits by only dealing with reputable bank and financial institution with strong credit ratings. The Group's bank accounts are placed with reputed financial institutions having appropriate credit rating.

	Group		Parent	
	2024	2023	**2024**	2023
Cash at banks	**RO**	RO	**RO**	RO
Banks with rating of Aa3	**1,283,164**	1,227,594	**-**	-
Banks with rating of A2	**2,274,382**	542,721	**1,066,803**	-
Banks with rating of Ba1	**73,583,727**	23,781,728	**69,986,803**	21,089,650
Banks with rating of Ba2	**-**	15,877	**-**	15,877
Banks with rating of BB+	**20,020,776**	-	**-**	-
Banks with rating of BB	**-**	1,489,165	**-**	1,489,165
	97,162,049	27,057,085	**71,053,606**	22,594,692

Other financial assets at amortised cost

Other financial assets at amortised cost include other receivables. Other financial assets at amortised cost are considered to have low credit risk, and the loss allowance considered during the year was therefore limited to 12 months expected losses. Management believes that the expected credit loss on the above category of financial assets is not material and hence no loss allowance was made for such financial assets as at 31 December 2024 and 31 December 2023.

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's and Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group limits its liquidity risk by ensuring bank facilities are available. The Group has access to adequate financing facilities, of which RO 176.476 Mn were unutilized at the reporting date (2023: RO 123.85 Mn). The Group expect to meet its obligations from operating cashflows, short term borrowings and proceeds from maturing financial assets. The Group's and Parent Company's terms of sales require amounts to be paid on an average of 45 days from the date of sale.

The table below analyses the Group's and Company's financial liabilities into the relevant maturity based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within twelve months equal their carrying balances, as the impact of discounting is not significant.

33. Financial risk management (continued)

		Contractual cash flows		
	Carrying value	Less than 1 year	Between 1 to 5 year	More than 5 years
31 December 2024				
Group	RO	RO	RO	RO
Bank borrowings	**60,000,000**	**60,000,000**	**-**	**-**
Lease liabilities	**53,020,668**	**9,204,036**	**30,547,444**	**40,683,029**
Trade payables	**7,483,383**	**7,483,383**	**-**	**-**
Due to related parties	**67,109,400**	**67,109,400**	**-**	**-**
Accruals and other payables	**8,232,576**	**8,232,576**	**-**	**-**
	195,846,027	**152,029,395**	**30,547,444**	**40,683,029**
Parent				
Bank borrowings	**60,000,000**	**60,000,000**	**-**	**-**
Lease liabilities	**3,424,125**	**4,491,800**	**16,461,425**	**11,507,130**
Trade payables	**2,846,560**	**2,846,560**	**-**	**-**
Due to related parties	**67,109,400**	**67,109,400**	**-**	**-**
Accruals and other payables	**8,383,007**	**8,383,007**	**-**	**-**
	141,763,092	**142,830,767**	**16,461,425**	**11,507,130**
31 December 2023				
Group				
Bank borrowings	21,033,508	1,033,508	20,000,000	-
Lease liabilities	47,046,165	6,254,930	26,956,752	39,244,227
Trade payables	10,297,195	10,297,195	-	-
Due to related parties	62,640,399	62,640,399	-	-
Accruals and other payables	6,622,969	6,622,969	-	-
	147,640,236	86,849,001	46,956,752	39,244,227
Parent				
Bank borrowings	20,000,000	-	20,000,000	-
Lease liabilities	18,547,873	4,005,693	14,183,130	9,496,233
Trade payables	4,118,951	4,118,951	-	-
Due to related parties	62,640,399	62,640,399	-	-
Accruals and other payables	7,373,296	7,373,296	-	-
	112,680,519	78,138,339	34,183,130	9,496,233

Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on equity, which the Group defines as net profit divided by total shareholders' equity. The Board of Directors also monitors the level of dividends to ordinary shareholders. There were no changes in the Group's approach to capital management during the year. The Group is not subject to externally imposed capital requirements.

Notes to the consolidated and parent company (separate) financial statements
For the year ended 31 December 2024

34. Categories of financial instruments

Financial assets consist of cash and bank balances and trade and other receivables. Financial liabilities consist of trade and other payable, bank borrowings and lease liabilities:

	Group		Parent	
	2024	2023	**2024**	2023
	RO	RO	**RO**	RO
Financial assets (at amortised cost)				
Cash and cash equivalents	**77,138,753**	25,639,694	**71,051,086**	21,177,301
Trade and other receivables	**68,328,627**	84,113,575	**86,667,360**	84,588,505
	145,467,380	109,753,269	**157,718,446**	105,765,806
Financial liabilities (at amortised cost)				
Trade and other payables	**82,825,359**	79,560,563	**78,338,967**	74,132,646
Lease liabilities (Note 7.2)	**53,020,668**	47,046,165	**21,402,500**	18,547,873
Bank borrowings (Note 18)	**60,000,000**	21,033,508	**60,000,000**	20,000,000
	195,846,027	147,640,236	**159,741,467**	112,680,519

The fair values of financial instruments are not materially different from their carrying values.

35. Approval of consolidated financial statements

The financial statements were approved by the Board of Directors and authorised for issue on 12 March 2025