NOTES TO THE CONSOLIDATED AND PARENT COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1 Legal status and principal activities

Oman Refreshment Company SAOG ("the Company / the Parent Company") is an Omani Joint Stock Company registered in the Sultanate of Oman on July 25, 1977 under the commercial registration no.01 / 05440 / 06. The Company's Head Office is located at Al Ghubra and its registered address is PO Box 30, Postal code 111, CPO Airport, Sultanate of Oman.

The principal activities of the Parent Company are the filling and distribution of soft drinks and trading in consumer packaged goods and related products primarily in the Sultanate of Oman. The Parent Company holds the franchise for filling and distribution of the entire range of Pepsi products in the Sultanate of Oman. It also sells to other Gulf Corporation Council (GCC) countries and Africa through its distribution channel.

During the year 2011, the Parent Company registered a subsidiary "Al Rawdah Integrated Trade & Investment Enterprises LLC" in Oman together with two other directors of the Parent Company as its shareholders. The two directors jointly own 70% of the shareholding in this subsidiary beneficially for and on behalf of the Parent Company, resulting in it being a wholly owned subsidiary of the Parent Company. There were no commercial activities undertaken by the subsidiary since inception.

During the year 2018, the Parent Company acquired 100% shareholding in Arabian Vending Machine LLC ('the Subsidiary'). Arabian Vending Machine LLC is a limited liability Company registered and incorporated in the Sultanate of Oman. The Company's principal activities are sale of vending machines and providing quality vending products.

Refer to note 18 for details of major shareholders of the Company.

Together, the Parent Company and its subsidiaries are referred to as "the Group".

The financial statements were authorized by the Board of Directors in the board meeting held on 28 January 2020.

2 Summary of significant accounting policies

2.1 Basis of preparation

(a) Compliance with IFRS

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), interpretations issued by the IFRS Interpretations Committee (IFRS IC), the requirements of the Commercial Companies Law of the Sultanate of Oman, 2019 and comply with the disclosure requirements set out in the 'Rules and Guidelines on Disclosure by issuer of Securities and Insider Trading' issued by the Capital Market Authority (CMA) of the Sultanate of Oman.

(b) Historical cost convention

These financial statements have been prepared on a historical cost basis except where otherwise described in the accounting policies below.

(c) New and amended standard adopted by the Group

IFRS 16 became effective for the current reporting period. The Group changed its accounting policies and made adjustments under the modified retrospective approach.

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. It replaces existing lease recognition guidance, including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The impact of the adoption of IFRS 16 and the new accounting policies are disclosed in note 3.

NOTES TO THE CONSOLIDATED AND PARENT COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)

2 Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

(d) New standards and interpretations not yet adopted

A number of new standards, amendments and interpretations to existing standards have been published and are mandatory for the annual accounting periods beginning on or after 1 January 2020 or later periods, but the Group has not early applied the following new or amended standards in preparing these financial statements.

The following new or amended standards are not expected to have a significant impact on the Group's financial statements.

- IFRS 17 Insurance contracts. Effective date of this standard is 1 January 2021;
- Definition of Material – Amendments to IAS 1 and IAS 8. Effective date of this standard is 1 January 2020;
- Definition of a Business – Amendments to IFRS 3. Effective date of this standard is 1 January 2020;
- Revised Conceptual Framework for Financial Reporting. Effective date of this standard is 1 January 2020;
- Sale or contribution of assets between an investor and its associate or joint venture – Amendments to IFRS 10 and IAS 28. The application date of this amendment has been deferred until such time as the IASB has finalised its research project on the equity method.

There are no other IFRS standards, amendments or interpretations that are expected to have a material impact on the Group.

2.2 Consolidation

(a) Subsidiaries

Subsidiaries are all entities over which the Parent Company has control. The Parent Company controls an entity when it is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceased.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill.

Inter-Company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control any retained interest in the entity is re- measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2 Summary of significant accounting policies (continued)

2.5 Leases (continued)

(i) Group as a lessee (continued)

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract.

The lease term is considered to be the non-cancellable period for which the Group has the right to use an underlying asset. The lease term is adjusted for periods covered by an option to extend; if it is reasonably certain that the option will be exercised as well as periods covered by an option to terminate the lease; if it is reasonably certain that the option will not be exercised.

(ii) The Group as lessor

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to the ownership of an underlying asset. Lease payments from operating lease are recognised as income on a straight-line basis unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. Costs incurred in earning the lease income, including depreciation are recognised as an expense. Initial direct cost incurred in obtaining lease, are added to the carrying amount of the underlying asset and recognised as an expense over the lease term on the same basis as the lease income. Modification to an operating lease is accounted for as a new lease from the effective date of the modification, considering any prepaid or accrued leased payments relating to the original lease as part of the lease payments for the new lease. The respective leased assets are included in the statement of fnancial position based on their nature.

Finance lease receivables and finance income

Finance leases, which transfer from the Group substantially all of the risks and rewards incidental to ownership of the leased item, are recognised as a disposal of asset at the inception of the lease and are presented as receivables under a finance lease at an amount equal to the net investment in the finance lease. Lease receivables are apportioned between finance income and reductions of the receivables under a finance lease so as to achieve a constant periodic rate of return on the lessor's net investment in the finance lease. Finance income earned is recognised within profit and loss in the statement of comprehensive income. Lease receivables due within one year are disclosed as current assets.

Accounting policy until 31 December 2018

Operating leases

Leases in which a significant portion of the risk and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating lease are recognized in the statement of comprehensive income under 'Salaries and related costs' and under 'Other expenses'.

2.6 Functional and presentation currency

Items included in these financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entities within the Group operate (the functional currency). The consolidated financial statements are presented in 'Rial Omani', which is the Parent Company's functional and the Group's presentation currency.

Foreign currency transactions are translated into Rials Omani at the exchange rate prevailing on the transaction date. Foreign currency assets and liabilities are translated into Rials Omani at the exchange rate prevailing at the reporting date. Differences on exchange are dealt with in the consolidated and Parent Company's statement of comprehensive income.

2 Summary of significant accounting policies (continued)

2.7 Earnings and net assets per share

The Group presents earnings per share ("EPS") and net assets per share data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Parent Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares. Net assets per share is calculated by dividing the net assets attributable to ordinary shareholders of the Parent Company by the weighted average number of ordinary shares outstanding during the period.

2.8 Directors' remuneration

Director's remuneration has been computed in accordance with the Article 101 of the Commercial Companies Law of 2019, as per the requirements of Capital Market Authority and will be recognised as an expense in the consolidated and Parent Company's statement of comprehensive income.

2.9 Dividend distribution

The Board of Directors of the Group recommends to the Shareholders the dividend to be paid out of the Group's profits. The Directors take into account appropriate parameters including the requirements of the Commercial Companies Law of 2019 and other relevant directives issued by CMA while recommending the dividend. Dividends are recognised as a liability when declared and approved.

2.10 Income tax

Income tax on the results for the year comprises current tax calculated as per the fiscal regulations of the Sultanate of Oman and deferred tax.

Current tax is recognised in the statement of comprehensive income as 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.

Deferred income tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred tax. Deferred income tax assets and liabilities are offset as there is a legally enforceable right to offset these in Oman. The tax effects on the temporary differences are disclosed under non-current assets as deferred tax.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The principal temporary differences arise from depreciation on property, plant and equipment, provision for impairment of trade receivables and provisions for slow moving inventories.

2.11 Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment is stated at cost less accumulated depreciation and impairment, if any. The cost of property, plant and equipment is the purchase price together with any incidental expenses. Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial year in which they are incurred.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost includes any other cost that is directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

2 Summary of significant accounting policies (continued)

2.11 Property, plant and equipment (continued)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within "other income" in the statement of comprehensive income.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the cost of those assets. All other borrowing costs are recognised as expenses in the period in which they are incurred.

(ii) Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of an item if it is probable that future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of comprehensive income as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately. Depreciation is recognised in the statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of the property, plant and equipment. The estimated useful lives for the current and comparative periods are as follows:

Land and buildings	10 - 20 years
Leasehold improvements	2 - 5 years
Plant and machinery	3 - 10 years
Motor vehicles	3 - 5 years
Tools and equipment	3 - 20 years
Furniture, fixtures and office equipment	2 - 4 years
Coolers	5 years

Land is not depreciated as it is deemed to have indefinite life.

Capital work-in-progress is not depreciated until it is transferred into one of the above categories at the time when it is ready for use.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted prospectively if appropriate.

2 Summary of significant accounting policies (continued)

2.12 Intangible assets

(i) Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(ii) Customer contracts

Customer contracts acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses. They are recognised at their fair value at the date of acquisition and are subsequently amortised on a period of 5 years on a straight-line basis.

2.13 Investments in subsidiaries

(a) Classification

Subsidiaries are all entities over which the Parent Company has control. The Parent Company controls an entity when it is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

(b) Valuation

In the separate financial statements of the Parent Company, investments in subsidiaries are stated at cost less any diminution in the value of specific investment, which is other than temporary. Investment income is accounted for in the year in which entitlement is established.

2.14 Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its assets (or cash-generating units) to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

The loss arising on an impairment of an asset is determined as the difference between the recoverable amount and carrying amount of the asset and is recognised immediately in the consolidated and Parent Company's statement of comprehensive income.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount and the increase is recognised as income immediately, provided that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised earlier.

2 Summary of significant accounting policies (continued)

2.15 Financial assets

(i) Classification

The Group on initial recognition classifies its non-derivative financial instruments in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (FVOCI), or through profit or loss (FVTPL), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial instruments and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains / (losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains / (losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains / (losses) and impairment expenses are presented as separate line item in the statement of profit or loss.

- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains / (losses) in the period in which it arises.

2 Summary of significant accounting policies (continued)

2.15 Financial assets (continued)

(iii) Measurement (continued)

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains / (losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iv) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its financial instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see note 4.1 (b) for further details.

2.16 Inventories and goods in transit

Inventories are measured at the lower of cost and net realisable value. The cost of raw material represents the weighted average cost of materials puchased and includes the invoice value plus all direct expenses incurred in bringing the inventories to their present condition and location. Finished goods and work in progress cost includes direct labour and an appropriate share of production overheads.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The liability for goods in transit is recorded when significant risks and rewards of ownership of the goods are transferred to the Group.

2.17 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance. See note 16.1 for further information about the Group's accounting for trade receivables and note 4.1 (b) for a description of the Group's impairment policies.

2.18 Cash and cash equivalents

Cash and cash equivalents comprise of cash at hand, bank balances and short term deposits with an original maturity of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

2.19 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred and are subsequently measured at amortised cost using an effective interest method. Any difference between the proceeds (net of transaction costs) and redeemed borrowings is recognized over the term of borrowings in the statement of comprehensive income. Borrowings are classified as current or non-current liabilities based on the repayment terms agreed with the respective commercial banks.

2 Summary of significant accounting policies (continued)

2.20 Trade and other payables

Trade payables are recognised initially at fair value and subsequently measured at amortized cost using the effective interest method.

Liabilities are recognised for amounts to be paid for goods and services received, whether or not billed to the Group.

2.21 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.22 Contingent liabilities

Contingent liabilities are possible obligations depending on whether some uncertain future events occur, or they are present obligations but payments are not probable or the amounts cannot be measured reliably. Contingent liabilities are not recognised in the financial statements.

2.23 Employee benefits

Payment is made to Omani Government Social Security scheme under Royal Decree 72 / 91 for Omani employees.

End of service benefits are accrued in accordance with the terms of employment of the Group's employees at the reporting date, having regard to the requirements of the Oman Labour Law 2003 as amended and in accordance with IAS 19 "Employee Benefits". Employee entitlements to annual leave are recognised when they accrue to employees and an accrual is made for the estimated liability for annual leave as a result of services up to the reporting date. The accrual relating to annual leave and leave passage is disclosed as a current liability, while the provision relating to end of service benefits is disclosed as a non-current liability.

Contributions to a defined contribution retirement plan for Omani employees in accordance with the Omani Social Insurances Law of 1991, are recognised as an expense in the consolidated statement of comprehensive income as incurred.

2.24 Segment reporting

An operating segment is component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors ('Board') that makes strategic decisions. All operating segment results are reviewed by the Group's CEO to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

3 Changes in accounting policies

This note explains the impact of the adoption of IFRS 16 Leases on the Group's financial statements.

(i) IFRS 16 Leases

The Group has adopted IFRS 16 'Leases' retrospectively from 1 January 2019 but has not restated comparatives for the 2018 reporting period as permitted under the specific transition provisions in the standard.

On adoption of IFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 'Leases'. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019.

The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 5%.

	1 January 2019
	RO
Operating lease commitments	**41,004**
Discounting effect using incremental borrowing rate @ 5%	**(3,783)**
Lease liability recognized	**37,221**

The associated right-of-use assets were measured at the amount equal to the lease liability.

4 Financial risk management

4.1 Financial risk factors

The Group has exposure to the following risks from its use of financial instruments:

(a) Market risk
(b) Credit risk
(c) Liquidity risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework and is responsible for developing and monitoring the Group's risk management policies.

(a) Market risk

Market risk is the risk that the changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(i) Foreign currency 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. In respect of the Group's transactions denominated in US Dollar and GCC currencies, the Group is not exposed to currency risk as the Rial Omani and GCC currencies are pegged to the US Dollar.

4 Financial risk management (continued)

4.1 Financial risk factors (continued)

(a) Market risk (continued)

(ii) Fair value interest rate risk

Interest rate risk arises from the possibility of changes in interest rates and mismatches or gaps in the amount of assets and liabilities that mature or re-price in a given period. The Group's interest rate risk arises from borrowings and term deposits placed with the banks. The Group places deposits and borrows from commercial banks at commercial rates of interest.

Term deposits and borrowings issued at variable rates expose the Group to cash flow interest rate risk. Term deposits and borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group's policy is to maintain almost all of its term deposits and borrowings in fixed rate instruments.

During 2019 and 2018, the Group's borrowings were denominated in Rial Omani and USD. The Group analyses its interest rate exposure on a regular basis and reassesses the source of borrowings and renegotiates interest rates at terms favorable to the Group.

At the reporting date, if the interest rate on borrowings were to shift by 0.5%, there would be a maximum increase or decrease in the interest expense of RO 39,817 (2018 - RO 30,119) of the Parent Company and the Group.

At the reporting date, if the interest rate on term deposits were to shift by 0.5%, there would be a maximum increase or decrease in the interest income of RO 162,500 (2018 - RO 290,910) of the Parent Company and the Group.

The carrying values of the borrowings are not considered materially different from their fair values since the loans are at prevailing market interest rates.

The Group manages its exposure to interest rate risk by ensuring that borrowings and deposits are on a contracted fixed rate basis.

(b) Credit risk

(i) Risk management

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and deposits with commercial banks. With regards to customer receivables, the Group maintains a credit policy that stipulates dealing with only creditworthy parties and obtaining sufficient collateral where appropriate as a means of mitigating the risk of financial loss from defaults. The Group regularly monitors the credit ratings of its debtors and the volume of transactions with those debtors during the year. Ongoing credit evaluation is performed on the financial condition of debtors. Therefore, credit risk exposures are insignificant.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Group 2019 RO	**Parent Company 2019 RO**	Group 2018 RO	Parent Company 2018 RO
Term deposits - non current	**7,000,000**	**7,000,000**	25,500,000	25,500,000
Financial assets at fair value through profit and loss	**13,765**	**13,765**	13,031	13,031
Term deposits - current	**25,500,000**	**25,500,000**	5,000,000	5,000,000
Trade receivables	**6,323,931**	**6,129,276**	5,789,058	5,681,725
Other financial assets at amortized cost	**4,569,077**	**5,352,955**	2,904,227	3,001,986
Other receivables	**1,191,201**	**1,183,014**	-	-
Cash and cash equivalents	**6,853,121**	**6,614,936**	2,625,515	2,564,314

	51,451,095	**51,793,946**	41,831,831	41,761,056

4 Financial instruments risk management (continued)

4.1 Financial risk factors (continued)

(b) Credit risk (continued)

(i) Risk management (continued)

For customers where there is no independent rating agency established in the country, the credit control team comprising of senior management assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. The outstanding position of the customers is continuously reviewed by the management.

The Group mainly categorises its trade receivables as corporate customers, salesman customers, government customers and others. Gross exposure by major classification of trade receivables is set out below:

	Group 2019 RO	**Parent Company 2019 RO**	Group 2018 RO	Parent Company 2018 RO
Corporate customers	**4,731,620**	**4,536,965**	4,549,387	4,495,720
Salesman customers	**2,386,347**	**2,386,347**	2,067,924	2,014,257
Other customers	**261,110**	**261,110**	88,419	88,419
Government customers	**11,426**	**11,426**	22,660	22,661
Gross trade receivables	**7,390,503**	**7,195,848**	6,728,390	6,621,057
Less: loss allowance	**(1,066,572)**	**(1,066,572)**	(939,332)	(939,332)
Trade receivables - net	**6,323,931**	**6,129,276**	5,789,058	5,681,725

As per the credit policy of the Group, customers are extended a credit period of up to 90 days in the normal course of business. However, in some cases, due to the market conditions and historical business relationship with the customer the credit period may be extended by a further period of 60 days. The credit quality of financial assets is determined by the customers history of meeting commitments, market intelligence related information and management's trade experience.

The aging of trade receivables at the reporting date for the Group and Parent Company was:

	Group 2019 RO	**Parent Company 2019 RO**	Group 2018 RO	Parent Company 2018 RO
Not past due	**5,312,646**	**5,215,319**	4,446,033	4,411,033
Due up to 90 days	**1,279,897**	**1,182,569**	1,182,377	1,146,210
More than 90 days	**797,960**	**797,960**	1,099,980	1,063,814
	7,390,503	**7,195,848**	6,728,390	6,621,057

With respect to exposures with banks, management considers the credit risk exposure to be minimal as the Group deals with reputed banks. Management does not expect any losses from non-performance by these counterparties.

Cash at banks including deposits

	Group 2019 RO	**Parent Company 2019 RO**	Group 2018 RO	Parent Company 2018 RO
P-2	**18,572,715**	**18,572,715**	2,598,225	2,598,225
P-3	**20,756,191**	**20,519,221**	17,153,010	17,153,010
Not rated	**21,757**	**20,542**	13,121,395	13,067,880
	39,350,663	**39,112,478**	32,872,630	32,819,115

The rest of the statement of financial position item is cash on hand. The stated rating is as per the global bank

ratings by Moody's Investors Service.

4 Financial risk management (continued)

4.1 Financial risk factors (continued)

(b) Credit risk (continued)

(ii) Impairment of financial assets

The Group has trade receivables and other financial assets at amortized cost as financial assets that are subject to IFRS 9's expected credit loss model. While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Trade receivables

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been Grouped based on shared credit risk characteristic and the days past due.

The expected loss rates are based on payment profiles of the trade receivables over a period of 36 months before 1 January 2019 and corresponding historical credit loss experience which are adjusted to reflect current and forward-looking information based on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified Gross Domestic Product of Oman to be the most relevant factors and accordingly, adjust the historical loss rates based on expected changes in the factor.

On that basis, the loss allowance as at 31 December 2019 was determined as follows for both trade receivables (refer note 16.1).

	0 - 30 days	**31 - 60 days**	**61 - 90 days**	**Above 90 days**
31 December 2019				
Salesman customers	**3.09%**	**17.10%**	**99.78%**	**100%**
31 December 2018				
Salesman customers	4.91%	26.83%	100%	100%

	0 - 60 days	**61 - 120 days**	**120 - 180 days**	**Above 180 days**
31 December 2019				
Other customers	**4.01%**	**8.24%**	**80.82%**	**100%**
31 December 2018				
Salesman customers	4.33%	14.78%	90.19%	100%

The closing loss allowances for trade receivables as at 31 December 2019 reconcile to the opening loss allowances as follows:

	Group 2019 RO	**Parent Company 2019 RO**	Group 2018 RO	Parent Company 2018 RO
Impairment loss				
At 1 January	**939,332**	**939,332**	856,786	856,786
Increase in loss allowance recognised in profit or loss during the year	**127,240**	**127,240**	82,546	82,546
At 31 December	**1,066,572**	**1,066,572**	939,332	939,332

Financial assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group.

Impairment losses on financial assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

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 at 31 December 2019.

4 Financial instruments risk management (continued)

4.1 Financial risk factors (continued)

(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 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 has adequate bank balance, credit facilities from commercial banks to ensure that it has sufficient cash on demand to meet expected operational expenses and sufficient credit facilities to manage its liquidity risk.

The Group's financial liabilities based on contractual payments at the reporting date were as follows:

	Carrying amount RO	**Contractual cash flows RO**	**Up to 1 year RO**	**Up 1 to 3 year RO**
Year ended 31 December 2019				
Trade and other payables	**12,093,100**	**12,093,100**	**12,093,100**	**-**
Bank borrowings	**7,963,457**	**7,963,457**	**2,654,486**	**5,308,971**
Future interest on borrowings	**-**	**164,524**	**164,524**	**329,048**
Total	**20,056,557**	**20,221,081**	**14,912,110**	**5,638,019**

	Carrying amount RO	Contractual cash flows RO	Up to 1 year RO	Up 1 to 5 year RO
Year ended 31 December 2018				
Trade and other payables	7,219,093	7,219,093	7,219,093	-
Bank borrowings	6,023,854	6,023,854	6,023,854	-
Future interest on borrowings	-	158,174	158,174	-
Total	13,242,947	13,401,121	13,401,121	-

No additional disclosure for the Parent Company's financial liabilities as they are not materially different from the group.

4.2 Fair value estimation

All the financial assets and liabilities of the Group except for the financial assets through profit and loss are carried at amortised cost. The fair values of the long terms bank borrowings are approximate to their carrying values as the interest rates thereof approximate the market rates of interest. The carrying value less impairment provision of trade receivables, trade payables, short-term borrowings from banks approximate their fair values.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, Grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Parent Company and Group	**Level 1 RO**	**Total RO**
2019		
Financial assets at fair value through profit and loss	**13,765**	**13,765**

2018		
Financial assets at fair value through profit and loss	13,031	13,031

4 Financial instruments risk management (continued)

4.3 Capital risk management

Equity of the Parent Company and Group comprises share capital, legal reserve, general reserve and retained earnings. Group's policy is to maintain an optimum capital base to maintain investor, creditor and market confidence to sustain future growth of business as well as return on capital. Capital requirements are prescribed by the Commercial Companies Law of 2019, and the Capital Market Authority.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings as shown in the statement of financial position less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

The gearing ratios at 31 December 2019 and 2018 were as follows:

	Group 2019 RO	**Parent Company 2019 RO**	Group 2018 RO	Parent Company 2018 RO
Total borrowings (note 16.7)	**7,963,547**	**7,963,547**	6,023,854	6,023,854
Less: cash and cash equivalents	**6,853,121**	**6,614,936**	(2,625,515)	(2,564,314)
Net debt	**1,110,426**	**1,348,611**	3,398,339	3,459,540
Equity	**63,054,597**	**63,055,972**	58,348,551	58,343,405
Total capital	**64,165,023**	**64,404,583**	61,746,890	61,802,945
Gearing Ratio	**2%**	**2%**	6%	6%

5 Critical accounting estimates and judgements

The Group makes estimates and assumptions concerning the future. Estimates are regularly evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below:

(a) Impairment of financial assets

Refer note 4.1 (b) for details.

(b) Useful lives of property, plant and equipment

The Group's management determines the estimated useful lives of its property, plant and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

6 Segment reporting

The Parent Company operates in one reportable segment of canning, bottling, distribution of soft drinks and trading of consumer packaged goods. All relevant information relating to this reportable segment is disclosed in the statement of financial position, statement of comprehensive income and notes to the financial statements.

The region wise revenue from customer within and outside Sultanate of Oman were as follows:

	Group 2019 RO	**Parent Company 2019 RO**	Group 2018 RO	Parent Company 2018 RO
Domestic sales	**61,766,909**	**61,170,492**	73,936,321	73,807,846
UAE	**76,750**	**76,750**	108,730	108,730
Qatar	**1,561,398**	**1,561,398**	1,291,128	1,291,128

NOTES TO THE CONSOLIDATED AND PARENT COMPANY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)

Yemen	**155,616**	**155,616**	-	-
Somalia	**204,842**	**204,842**	687,876	687,876
Total revenue	**63,765,515**	**63,169,098**	76,024,055	75,895,580

7 Cost of sales

	Group 2019 RO	**Parent Company 2019 RO**	Group 2018 RO	Parent Company 2018 RO
Direct materials	**26,962,290**	**26,722,195**	32,885,305	32,835,260
Cost of trading items	**5,180,440**	**5,180,440**	5,604,953	5,604,953
Employee related expenses (note 10)	**2,452,090**	**2,452,090**	2,454,055	2,454,055
Other direct expenses	**1,994,828**	**1,982,110**	1,832,270	1,832,270
Depreciation [note 17.1 (d)]	**1,593,207**	**1,470,842**	1,717,341	1,717,341
	38,182,855	**37,807,677**	44,493,924	44,443,879

8 Selling and distribution expenses

	Group 2019 RO	**Parent Company 2019 RO**	Group 2018 RO	Parent Company 2018 RO
Employee related expenses (note 10)	**7,138,141**	**7,029,664**	7,533,316	7,514,688
Advertising and sales promotion	**1,976,109**	**1,970,898**	2,584,415	2,584,415
Depreciation [note 17.1 (d)]	**1,170,194**	**1,170,194**	1,073,330	1,046,356
Vehicle expenses	**1,141,850**	**1,132,643**	1,277,276	1,273,543
Transportation	**965,184**	**965,184**	1,078,404	1,078,404
Repairs and maintenance	**186,742**	**186,742**	176,515	175,741
Rent, electricity and wear	**139,359**	**133,294**	197,392	189,940
Business entertainment and travel	**59,248**	**54,767**	70,197	69,912
Amortisation of intangible assets	**50,000**	-	-	-
Communication charges	**42,298**	**40,169**	81,633	81,206
Printing and stationery	**36,009**	**36,009**	39,111	38,999
Other expenses	**251,423**	**249,851**	432,898	431,898
	13,156,557	**12,969,415**	14,544,487	14,485,102

9 General and administrative expenses

	Group 2019 RO	**Parent Company 2019 RO**	Group 2018 RO	Parent Company 2018 RO
Employee related expenses (note 10)	**2,788,486**	**2,788,486**	2,486,423	2,486,423
Directors remuneration [note 23 (b)]	**184,732**	**184,732**	191,200	191,200
Depreciation [note 17.1 (d)]	**168,767**	**168,767**	206,844	206,844
Insurance	**124,095**	**124,095**	129,942	129,942
Communication charges	**57,739**	**57,739**	44,417	44,417
Business entertainment and travel	**54,775**	**54,775**	43,022	43,022
Rent, electricity and water	**46,821**	**12,068**	95,639	95,639
Repairs and maintenance	**32,729**	**32,729**	27,903	27,903
Legal and professional charges	**25,900**	**24,000**	62,470	62,470
Depreciation on leased asset (note 17.4)	**13,531**	**13,531**	-	-
Directors sitting fees [note 23 (b)]	**12,200**	**12,200**	8,800	8,800
Printing and stationery	**10,230**	**9,523**	11,181	11,181
Write off on property, plant and equipment	-	-	427,180	427,180
Other expenses	**112,363**	**112,363**	409,987	409,585
	3,632,368	**3,595,008**	4,145,008	4,144,606

10 Employee related expenses

Details of employee related expenses included in cost of sales, selling and distribution expenses and general and administrative expenses are as follows:

	Group 2019 RO	**Parent Company 2019 RO**	Group 2018 RO	Parent Company 2018 RO
End of service benefits (note 17.8)	**239,679**	**237,463**	253,269	247,368
Contribution to defined retirement plan	**400,593**	**398,645**	405,903	404,653
Wages and salaries	**11,738,445**	**11,634,132**	11,814,622	11,803,145
	12,378,717	**12,270,240**	12,473,794	12,455,166

Employee related expenses are allocated as follows:

	Group 2019 RO	**Parent Company 2019 RO**	Group 2018 RO	Parent Company 2018 RO
Selling and distribution expenses (note 8)	**7,138,141**	**7,029,664**	7,533,316	7,514,688
General and administrative expenses (note 9)	**2,788,486**	**2,788,486**	2,486,423	2,486,423
Cost of sales (note 7)	**2,452,090**	**2,452,090**	2,454,055	2,454,055
	12,378,717	**12,270,240**	12,473,794	12,455,166

11 Other income

	Group 2019 RO	**Parent Company 2019 RO**	Group 2018 RO	Parent Company 2018 RO
Scrape sales	**60,254**	**49,113**	73,298	73,298
Gain on sale of property, plant and equipment	**29,462**	**29,462**	35,840	35,840
Miscellaneous income	**7,971**	**7,971**	74,208	72,220
	97,687	**86,546**	183,346	181,358

12 Finance income (net)

	Group 2019 RO	**Parent Company 2019 RO**	Group 2018 RO	Parent Company 2018 RO
Interest income on term deposits	**1,298,312**	**1,298,312**	1,158,476	1,158,476
Interest expense on bank borrowings	**(126,829)**	**(126,829)**	(204,412)	(204,412)
Finance income (net)	**1,171,483**	**1,171,483**	954,064	954,064

13 Taxation

(a) The taxation charge credit for the year comprises:

	Group 2019 RO	**Parent Company 2019 RO**	Group 2018 RO	Parent Company 2018 RO
Current taxation:				
Current year	**1,301,888**	**1,287,489**	2,256,567	2,251,521
Deferred taxation				
Current year	**177,731**	**177,731**	(170,255)	(170,253)
	1,479,619	**1,465,220**	2,086,312	2,081,268

(b) The Parent Company and its subsidiary are subject to income tax at the rate of 15% of taxable profit (2018 - 15%) in accordance with the Income Tax Laws of Sultanate of Oman. The following is reconciliation between income taxes calculated on accounting profit at the applicable tax rates with the income tax expense for the year:

	Group 2019 RO	**Parent Company 2019 RO**	Group 2018 RO	Parent Company 2018 RO
Profit before tax	**9,935,665**	**9,927,787**	13,895,500	13,874,869
Tax on accounting profit	**1,490,350**	**1,490,839**	2,084,325	2,081,230
Add / (deduct) tax effect of:				
Expenses not deductible	**(10,731)**	**(25,619)**	90	90
Others	**-**	**-**	1,897	(52)
	1,479,619	**1,465,220**	2,086,312	2,081,268

(c) The Parent Company's income tax assessments for the tax years up to 2014 have been finalized by the Secretariat General for Taxation ("tax department"). The Board of Directors are of the opinion that additional taxes, if any, that may be assessed on completion of the assessments for the open tax years would not be significant to the Group's financial position as at 31 December 2019.

(d) Both the subsidiaries are companies registered in Oman for which the tax rate applicable is 15%. The assessments of subsidiaries with the Oman Tax Authorities are at different stages of completion. The Parent Company and each of its subsidiaries are assessed separately for taxation. The Group as an entity is not taxable.

(e) The movement in provision for taxation is as follows:

	Group 2019 RO	**Parent Company 2019 RO**	Group 2018 RO	Parent Company 2018 RO
Opening balance	**2,256,567**	**2,251,521**	2,025,202	2,025,202
Provided during the year	**1,301,888**	**1,287,489**	2,256,567	2,251,521
Paid during the year	**(2,257,158)**	**(2,246,165)**	(2,025,202)	(2,025,202)
Closing balance	**1,301,297**	**1,292,845**	2,256,567	2,251,521

14 Basic and diluted earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding during the year ended 31 December 2019, calculated as follows:

	Group 2019 RO	**Parent Company 2019 RO**	Group 2018 RO	Parent Company 2018 RO
Net profit attributable to ordinary shareholders	**8,456,046**	**8,462,567**	11,809,188	11,793,601
Weighted average number of shares	**50,000,000**	**50,000,000**	50,000,000	50,000,000
Basic and diluted earnings per share	**0.169**	**0.169**	0.236	0.236

15 Investment in subsidiary companies

	Parent Company 2019 RO	Parent Company 2018 RO
Al Rawdah Integrated Trade & Investment Enterprises LLC	**100,000**	100,000
Arabian Auto Vending Co. LLC	**630,000**	630,000
	730,000	730,000

The Parent Company registered a subsidiary "Al Rawdah Integrated Trade & Investment Enterprises LLC" in Oman together with two other directors of the Parent Company as its shareholders during the year 2011. The two directors jointly own 70% of the shareholding in this subsidiary beneficially for and on behalf of the Parent Company, resulting in it as a wholly owned subsidiary of the Parent Company. The subsidiary Company's principal registered activity is buying, selling and sub-dividing real estate into plots, renting and operating self-owned or leased real estate (residential and non-residential), real estate appraisal, export and import offices, business agencies (excluding portfolio and securities), renting of commercial equipment and professional machinery. There were no commercial activities undertaken by the subsidiary since the inception.

Business combinations

During the year 2018 the Parent Company acquired 100% of the issued share capital of Arabian Auto Vending Co. LLC, a limited liability company, registered with the Ministry of Commerce and Industry in accordance with the provisions of the Commercial Companies Law 2019, of the Sultanate of Oman. The Company's principal activities are sale of vending machines and providing quality vending products.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

	Parent Company 2018 RO
Purchase consideration	
Cash paid	630,000

The assets and liabilities recognised as a result of the acquisition are as follows:

	Fair value RO
Cash	711
Trade receivables	65,384
Inventories	12,527
Equipment	210,161
Intangible assets: customer contracts	250,000
Trade and other payables	(365,451)
Employees' end of service benefits	(7,046)

Net identifiable assets acquired	166,286
Goodwill	463,714
Net assets acquired	630,000

16 Financial assets and liabilities

This note provides information about the Group's financial instruments, including:

- an overview of all financial instruments held by the Group
- specific information about each type of financial instrument
- accounting policies
- information about determining the fair value of the instruments, including judgements and estimation uncertainty involved.

The Group and Parent Company holds the following financial instruments:

	Note	Group 2019 RO	Parent Company 2019 RO	Group 2018 RO	Parent Company 2018 RO
Financial assets at amortised cost					
Trade receivables	16.1	**6,323,931**	**6,129,276**	5,789,058	5,681,725
Other financial assets at amortised cost	16.2	**4,569,077**	**5,352,955**	2,904,227	3,001,986
Term deposits (current & non-current)	16.3	**32,500,000**	**32,500,000**	30,500,000	30,500,000
Cash and cash equivalents	16.4	**6,853,121**	**6,614,936**	2,625,515	2,564,314
Financial assets at fair value through profit or loss	16.5	**13,765**	**13,765**	13,031	13,031
		50,259,894	**50,610,932**	41,831,831	41,761,056

	Note	Group 2019 RO	Parent Company 2019 RO	Group 2018 RO	Parent Company 2018 RO
Liabilities at amortised cost					
Term loans (current and non-current)	16.7	**7,963,457**	**7,963,457**	6,023,854	6,023,854
Trade and other payables	16.6	**12,093,100**	**12,136,646**	7,219,093	6,941,600
Lease liabilities	16.8	**23,690**	**23,690**	-	-
		20,080,247	**20,123,793**	13,242,947	12,965,454

16.1 Trade receivables

	Group 2019 RO	Parent Company 2019 RO	Group 2018 RO	Parent Company 2018 RO
Trade receivables	**7,390,503**	**7,195,848**	6,728,390	6,621,057
Less: Loss allowance [note 4.1(b) (ii)]	**(1,066,572)**	**(1,066,572)**	(939,332)	(939,332)
	6,323,931	**6,129,276**	5,789,058	5,681,725

(i) Classification as trade receivables

Trade receivables are amounts due from customers for goods sold and services performed in the ordinary course of business. They are generally due for settlement within 90 days and therefore are all classified as current. These receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised fair value.

The Group holds these receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Group's impairment policies and the calculation of the loss allowance are provided in note 4.1(b).

16 Financial assets and liabilities (continued)

16.1 Trade receivables (continued)

(ii) Carrying and fair values of trade receivables

The carrying amounts of the Group's trade receivables are denominated in Rial Omani. Due to the short-term nature of the current receivables, their carrying amount approximate their fair value.

(iii) Impairment and risk exposure

Information about the impairment of trade receivables and Group's exposure to credit risk, foreign currency risk and interest rate risk can be found in note 4.1(b).

16.2 Other financial assets at amortized cost

(i) Classification of financial assets at amortized cost

The Group classifies its financial assets as at amortized cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets at amortized cost include the following:

	Group 2019 RO	**Parent Company 2019 RO**	Group 2018 RO	Parent Company 2018 RO
Other receivables	**3,285,323**	**3,283,439**	1,753,557	1,851,316
Accrued bank interest income	**1,209,750**	**1,209,750**	962,338	962,338
Due from employees	**74,004**	**74,004**	101,875	101,875
Customs duty refund receivable	-	-	86,457	86,457
Due from related party	-	**785,762**	-	-
	4,569,077	**5,352,955**	2,904,227	3,001,986

(ii) Other receivables

These amounts generally arise from transactions outside the usual operating activities of the Group. Interest may be charged at commercial rates where the terms of repayment exceed six months. Collateral is not normally obtained.

(iii) Carrying and fair values of other receivables

The carrying amounts of the Group's other receivables are denominated in Rial Omani. Due to the short-term nature of the current receivables, their carrying amount approximates to their fair value.

(iv) Impairment and risk exposure

Information about the impairment of other receivables and Group's exposure to foreign currency risk, and interest rate risk and credit risk can be found in note 4.1 (b).

16.3 Term deposits

	Group 2019 RO	**Parent Company 2019 RO**	Group 2018 RO	Parent Company 2018 RO
Term deposits with local banks	**32,500,000**	**32,500,000**	30,500,000	30,500,000
Less: Current portion of the term deposits	**(25,500,000)**	**(25,500,000)**	(5,000,000)	(5,000,000)
Non-current portion of the term deposits	**7,000,000**	**7,000,000**	25,500,000	25,500,000

The term deposits carry interest at commercial rates and mature in 1 to 3 years (2018 - 1 to 3 years) from the date of placement.

16 Financial assets and liabilities (continued)

16.4 Cash and cash equivalents

	Group 2019 RO	**Parent Company 2019 RO**	Group 2018 RO	Parent Company 2018 RO
Call deposit accounts	**5,275,634**	**5,275,634**	1,026,095	1,026,095
Bank balances	**1,573,814**	**1,336,844**	1,346,535	1,293,020
Cash balances	**3,673**	**2,458**	252,885	245,199
	6,853,121	**6,614,936**	2,625,515	2,564,314

Cash and cash equivalents includes cash on hand, all bank balances, including deposits with a maturity of three months or less from the date of placement. Deposit accounts are maintained with commercial banks in Oman and earn interest at commercial rates.

16.5 Financial assets at fair value through profit or loss

(i) Classification of financial assets at fair value through profit or loss

The Group classifies the following financial assets at fair value through profit or loss (FVPL)

- equity investments that are held for trading; and
- equity investments for which the entity has not elected to recognise fair value gains and losses through OCI.

(ii) Equity investments at fair value through profit and loss

Equity investment at FVPL comprise the following investment:

Group and Parent Company

Name of the Company	**Group 2019**	**Parent Company 2019**	Group 2018	Parent Company 2018
Non-current assets				
Listed securities				
Bank Nizwa SAOG	**13,765**	**13,765**	13,031	13,031

16.6 Trade and other payables

	Group 2019 RO	**Parent Company 2019 RO**	Group 2018 RO	Parent Company 2018 RO
Trade payables	**3,075,128**	**3,032,500**	3,316,415	2,991,837
Accrued expenses	**2,107,574**	**2,107,574**	2,745,834	2,708,234
Other payables and provisions	**156,628**	**152,802**	597,881	592,566
Provision for leave pay and air passage	**174,267**	**174,267**	273,754	273,754
Creditors for purchase of property, plant and equipment	**261,077**	**261,077**	-	-
Directors' remuneration and sitting fees (note 23 (b))	**200,000**	**200,000**	200,000	200,000
Due to related parties [note 23 (c)]	**-**	**-**	85,209	85,209
Excise tax payable	**6,118,426**	**6,118,426**	-	-
Payable to subsidiary [note 23 (c)]	**-**	**90,000**	-	90,000
	12,093,100	**12,136,646**	7,219,093	6,941,600

Trade payables and due to related parties are unsecured. The carrying amounts of trade payables and due to related

parties are considered to be the same as their fair values, due to their short-term nature.

16 Financial assets and liabilities (continued)

16.7 Bank borrowings

	Group 2019 RO	**Parent Company 2019 RO**	Group 2018 RO	Parent Company 2018 RO
Long term loans availed	**7,963,457**	**7,963,457**	1,523,854	1,523,854
Short term loans	**-**	**-**	4,500,000	4,500,000
Less: current portion of term loans	**(2,654,486)**	**(2,654,486)**	(6,023,854)	(6,023,854)
Non-current portion	**5,308,971**	**5,308,971**	-	-

In 2016, the Group availed a term loan of RO 3,500,000 from a commercial bank to finance certain capital expenditure during the year. The term loan was repaid in 36 monthly installments commenced from 14 December 2016 and ended on 14 December 2019, carried interest at commercial borrowing rates and was secured by a registered charge on the respective assets acquired with the proceeds of the loan.

During the year, the Group has also availed a new long term loan at an annual interest rate of 4% from a commercial bank for general commercial purposes. This long term loan is repayable over 36 months from the date of borrowing and carries interest at commercial rates.

Net debt reconciliation

	Group 2019 RO	**Parent Company 2019 RO**	Group 2018 RO	Parent Company 2018 RO
Cash and bank balances	**6,853,121**	**6,614,936**	2,625,515	2,564,314
Borrowings - repayable within one year	**(2,654,486)**	**(2,654,486)**	(6,023,854)	(6,023,854)
Borrowings - repayable after one year	**(5,308,971)**	**(5,308,971)**	-	-
Net debt	**(1,110,336)**	**(1,348,521)**	(3,398,339)	(3,459,540)

Group

31 December 2019	**Other assets**	**Liabilities from financing activities**		
	Cash and bank balances RO	**Borrowings due within one year RO**	**Borrowings due after one year RO**	**Total RO**
Net debt as at 1 January 2019	**2,625,515**	**(6,023,854)**	**-**	**(3,398,339)**
Cash flows	**(4,227,606)**	**(2,654,486)**	**(5,308,971)**	**(12,191,063)**
Net debt as at 31 December 2019	**(1,602,091)**	**(8,678,340)**	**(5,308,971)**	**(15,589,402)**

31 December 2018	Other assets	Liabilities from financing activities		
	Cash and bank balances RO	Borrowings due within one year RO	Borrowings due after one year RO	Total RO
Net debt as at 1 January 2018	7,047,938	(3,600,694)	(1,532,138)	1,915,106
Non-cash items	-	(1,532,138)	1,532,138	-
Cash flows	(4,422,423)	(891,022)	-	(5,313,445)
Net debt as at 31 December 2018	2,625,515	(6,023,854)	-	(3,398,339)

16 Financial assets and liabilities (continued)

16.7 Bank borrowings (continued)

Net debt reconciliation (continued)

Parent Company

31 December 2019	**Other assets**	**Liabilities from financing activities**		
	Cash and bank balances RO	**Borrowings due within one year RO**	**Borrowings due after one year RO**	**Total RO**
Net debt as at 1 January 2019	**2,564,314**	**(6,023,854)**	**-**	**(3,459,540)**
Cash flows	**(4,050,622)**	**(2,654,485)**	**(5,308,971)**	**(12,014,078)**
Net debt as at 31 December 2019	**(1,486,308)**	**(8,678,339)**	**(5,308,971)**	**(15,473,618)**

31 December 2018	Other assets	Liabilities from financing activities		
	Cash and bank balances RO	Borrowings due within one year RO	Borrowings due after one year RO	Total RO
Net debt as at 1 January 2018	7,043,121	(3,600,694)	(1,532,138)	1,910,289
Non-cash items	-	(1,532,138)	1,532,138	-
Cash flows	(4,478,807)	(891,022)	-	(5,369,829)
Net debt as at 31 December 2018	2,564,314	(6,023,854)	-	(3,459,540)

16.8 Lease liabilities

On adoption of IFRS 16, the Company recognized lease liabilities in relation to lease of land which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate 5% as of 1 January 2019. The balance as at 31 December 2019 was as follows:

	31 December 2019 RO
Land	**23,690**

Maturity Profile	**Total minimum lease payments RO**	**PV of minimum lease payment RO**
Less than 1 year	**11,845**	**11,845**
More than 1 but less than 5 years	**12,437**	**11,845**
	24,282	**23,690**

17 Non-financial assets and liabilities

This note provides information about the Group's non-financial assets and liabilities, including:

- specific information about each type of non-financial asset and non-financial liability
  - property, plant and equipment (note 17.1)
  - intangible assets (note (17.2)
  - deferred tax balances (note 17.3)
  - right of use assets (17.4)
  - inventories (note 17.5)
  - other current assets (note 17.6)
  - advance for property, plant and equipment (note 17.7)
  - employee benefit obligations (note 17.8)

- accounting policies
- information about determining the fair value of the assets and liabilities, including judgements and estimation uncertainty involved.

17 Non-financial assets and liabilities (continued)

17.1 Property, plant and equipment

(a) Details of movement in property, plant and equipment are set out on pages 42 to 45.

(b) Land costing RO 56,010 in Sohar, RO 337,912 in Barka, RO 42,000 in Ibri, RO 15,000 in Mudhaibi and RO 55,000 in Al Duqm are registered in the names of two Directors for the beneficial interest of the Parent Company. Presently the Parent Company's directors are following up to transfer the land in the name of the Parent Company.

(c) Capital work in progress represents advances paid to contractors for non-carbonated drink new lines components construction of new warehouses, staff accommodation near the warehouses and also to consultants for preparation and approval of construction drawings for depots. The transferred amount from capital work in progress mainly includes new production lines of dairy products / juices and, additions to building and warehousing facilities.

(d) Depreciation of property, plant and equipment is allocated as follows, for Group and the Parent Company:

	Group 2019 RO	**Parent Company 2019 RO**	Group 2018 RO	Parent Company 2018 RO
Cost of sales (note 7)	**1,593,207**	**1,470,842**	1,717,341	1,717,341
Selling and distribution expenses (note 8)	**1,170,194**	**1,170,194**	1,073,330	1,046,356
General and administrative expenses (note 9)	**168,767**	**168,767**	206,844	206,844
	2,932,168	**2,809,803**	2,997,515	2,970,541

(e) Please refer to notes 2.11 & 5 (b) for accounting policies and critical accounting estimates

17.2 Intangible assets

2019	**Goodwill RO**	**Customer contracts RO**	**Total**
Cost			
Net book amount at 1 January	**463,714**	**250,000**	**713,714**
Amortised during the year	-	**(50,000)**	**(50,000)**
Net book amount at 31 December	**463,714**	**200,000**	**663,714**

2018	Goodwill RO	Customer contracts RO	Total
Cost	463,714	250,000	713,714
Net book amount at 31 December 2018	463,714	250,000	713,714

Goodwill related to acquisition of Arabian Vending Company acquired in 2018. The cash flows used for impairment testing are discounted at a rate of 6.5%, based on the Group's latest budget and forecast cash flows using growth rate of 5%, covering a five-year period, which have regard to historic performance and knowledge of the current market, together with the Group's views on the future achievable growth and the impact of committed cash flows.

No impairment was identified as a result of the impairment test as the recoverable amounts exceeded carrying value of CGUs. Reasonable change of assumptions will not lead to the situation when recoverable amount is less than carrying value of CGUs.

The customer contracts were acquired as part of a business combination. They are recognised at their fair value at the date of acquisition and are subsequently amortised on a straight-line over a period of 5 years.

17 Non-financial assets and liabilities (continued)

17.3 Deferred taxation

Deferred income tax is calculated on all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amount used for taxation purpose using a principal tax rate of 15% (2018 - 15%).

Movement in the temporary differences during the year for Group and Parent Company are as follows:

	1 January 2019 RO	**Debited during the year RO**	**31 December 2019 RO**
Deferred tax asset / (liability)			
Accumulated tax depreciation	**250,499**	**(197,225)**	**53,274**
Tax effect of provision for			
- impairment of trade receivables	**140,899**	**19,494**	**160,393**
- slow moving and obsolete stock	**11,616**	**-**	**11,616**
- impairment of property, plant and equipment	**64,077**	**-**	**64,077**
	467,091	**(177,731)**	**289,360**

	1 January 2018 RO	Credited during the year RO	31 December 2018 RO
Deferred tax asset / (liability)			
Accumulated tax depreciation	162,321	88,178	250,499
Tax effect of provision for			
- impairment of trade receivables	128,517	12,382	140,899
- slow moving and obsolete stock	6,000	5,616	11,616
- impairment of property, plant and equipment	-	64,077	64,077
	296,838	170,253	467,091

17.4 Right of use assets

The Company has adopted IFRS 16 'Leases' from 1 January 2019. In line with IFRS 16 requirement, the Company recognized right of use assets.

The Company has not restated comparatives for the 2018 reporting period as permitted under the specific transition provisions in the standard and therefore comparative information has not been presented.

	Land RO	**Total RO**
Cost		
At 1 January	**37,221**	**37,221**
Accumulated depreciation		
At 1 January	**-**	**-**
Charge for the period	**13,531**	**13,531**
At 31 December	**13,531**	**13,531**
Net carrying amount at 31 December 2019	**23,690**	**23,690**

17 Non-financial assets and liabilities (continued)

17.5 Inventories

	Group 2019 RO	Parent Company 2019 RO	Group 2018 RO	Parent Company 2018 RO
Raw materials	**1,486,907**	**1,486,907**	2,039,589	2,009,686
Finished products	**931,473**	**931,473**	1,454,908	1,454,908
Packing material	**1,009,411**	**1,009,411**	217,352	217,352
Stores, spares and consumables	**476,662**	**476,662**	472,313	472,313
Trading items	**824,428**	**685,002**	562,394	562,394
	4,728,881	**4,589,455**	4,746,556	4,716,653
Less: Provision for slow moving inventories	**(77,438)**	**(77,438)**	(77,438)	(77,438)
	4,651,443	**4,512,017**	4,669,118	4,639,215
Add: Goods in transit	**37,915**	**37,915**	52,477	52,477
Add: Excise tax	**1,610,361**	**1,610,361**	-	-
	6,299,719	**6,160,293**	4,721,595	4,691,692

Goods in transit are related to the raw materials and packing materials which are in transit at the reporting date.

The movement in provision for slow moving inventories is as follows:

	Group 2019 RO	Parent Company 2019 RO	Group 2018 RO	Parent Company 2018 RO
Opening balance	**77,438**	**77,438**	40,000	40,000
Provided during the year	**-**	**-**	37,438	37,438
Closing balance	**77,438**	**77,438**	77,438	77,438

17.6 Other current assets

	Group 2019 RO	Parent Company 2019 RO	Group 2018 RO	Parent Company 2018 RO
Advances to suppliers	**924,878**	**924,878**	1,401,550	1,401,550
Prepayments and other deposits	**261,860**	**253,673**	225,653	199,646
	1,186,738	**1,178,551**	1,627,203	1,601,196

17.7 Advance for property, plant and equipment

Advance for property, plant and equipment represents advance paid towards the assembly of manufacturing lines of non-carbonated drinks.

17 Non-financial assets and liabilities (continued)

17.8 Employees' end of service benefits

Provision for end of service benefits of, non-Omani employees is made in accordance with the requirements of Oman Labour Law. This is an unfunded defined employees' end of service benefits plan and the movement in the liability recognized in the statement of financial position is as follows:

	Group 2019 RO	**Parent Company 2019 RO**	Group 2018 RO	Parent Company 2018 RO
At 1 January	**1,498,375**	**1,492,474**	1,579,457	1,579,457
Accrued during the year (note 10)	**239,679**	**237,463**	253,269	247,368
Payments during the year	**(243,321)**	**(237,441)**	(334,351)	(334,351)
At 31 December	**1,494,733**	**1,492,496**	1,498,375	1,492,474

In accordance with the provisions of IAS 19, the management has carried out an exercise to assess the present value of its obligations as at 31 December 2019 and 2018, using the projected unit credit method, in respect of employees' end of service benefits payable under the Oman Labour Law. Under this method an assessment has been made of an employee's expected service life with the Group and the expected basic salary at the date of leaving the service. Management has assumed average increment / promotion costs in line with the operating performance of the Group and expected future outlook. The expected liability at the date of leaving the service has been discounted to net present value using a discount rate of 5% (2018 - 5%).

18 Share capital

The Parent Company's authorized share capital comprises of 100,000,000 (2018 - 100,000,000) ordinary shares of 100 baisa each amounting to RO 10,000,000 and the issued share capital comprises 50,000,000 (2018 - 50,000,000) fully paid up shares of 100 baisa each amounting to RO 5,000,000.

The Parent Company has only one class of ordinary shares, which rank equally with regard to the Company's residual assets. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at Company meetings.

Details of shareholders who own 10% or more of the Parent Company's share capital are as follows:

	2019		2018	
	Shares held	**%Share holding**	Shares held	%Share holding
Mohamed & Obaid Al Mulla LLC	**8,395,000**	**16.79%**	8,395,000	16.79%
Dubai Refreshments PSC	**7,110,470**	**14.22%**	7,110,470	14.22%

19 Legal reserve

The Commercial Companies Law of 2019, requires that 10% of an entity's profit be transferred to a non-distributable legal reserve until the amount of legal reserve becomes equal to one-third of a Company's issued share capital. This being achieved, the Parent Company had discontinued the transfer. The legal reserve is not available for distribution.

20 General reserve

General reserve is an optional reserve established by transferring 20% of the profits for the year after deduction of taxes and the legal reserve, until the total amount of general reserve becomes equal to one-half of the issued share capital of the Company in accordance with Article 106 of the Commercial Companies Law of 2019. This being achieved, the Parent Company had discontinued the transfer. This reserve is available for distribution to shareholders upon the recommendation of the Board of Directors.

21 Dividend

Subsequent to the reporting date, the Board of Directors has proposed a cash dividend of RO 0.05 per share totaling RO 2,500,000 for the year ended 31 December 2019, subject to shareholders' approval at the ensuing annual general meeting. The proposed dividend for 2018 amounting to RO 3,750,000 (RO 0.075 per share) was approved and paid during 2019.

During the year, amount of Nil (2018 - RO 272,687) representing unclaimed dividends, has been transferred to the Investors Trust Fund of the Capital Market Authority.

22 Net assets per share

Net assets per share is calculated by dividing the net assets attributable to the shareholders of the Company by the number of shares outstanding at the year-end, as follows:

	Group 2019 RO	**Parent Company 2019 RO**	Group 2018 RO	Parent Company 2018 RO
Net assets	**63,054,597**	**63,055,972**	58,348,551	58,343,405
Number of shares outstanding at 31 December	**50,000,000**	**50,000,000**	50,000,000	50,000,000
Net assets per share	**1.261**	**1.261**	1.167	1.167

23 Related party transactions

The Group has entered transactions with directors, key management personnel of the Group and entities over which directors are able to exercise significant influence. In the ordinary course of business, such related parties provide goods and services to the Group. The Group also sells goods to the related parties. Terms of purchases, sales, and provision of goods and services are comparable with those that could be obtained on arm's length basis from third parties.

(a) The significant related party transactions during the year were as follows:

	Group 2019 RO	**Parent Company 2019 RO**	Group 2018 RO	Parent Company 2018 RO
Sale of products and goods to:				
- Subsidiary companies				
Arabian Vending LLC	**34,057**	**34,057**	-	11,666
- Shareholder				
Dubai Refreshments PSC, UAE	**198,912**	**198,912**	108,631	108,631
- Other related party				
Omani Packaging Co SAOG	**9,335**	**9,335**	233,146	233,146
Ahmed Mohamed bin Omair	**2,887**	**2,887**	2,864	2,864

	Group 2019 RO	**Parent Company 2019 RO**	Group 2018 RO	Parent Company 2018 RO
Purchase of trading items and materials from:				
- Subsidiary companies				
Arabian Vending LLC	-	**2,173**	-	-
- Shareholder				
Dubai Refreshments PSC, UAE	**216,121**	**216,121**	237,857	237,857
- Other related party				
Omani Packaging Co SAOG	**219,383**	**219,383**	239,861	239,861
Others				
Administrative expenses (employee related expenses)	-	-	9,723	9,723

23 Related party transactions (continued)

(b) Compensation of key management personnel and directors during the year was as follows:

	Group 2019 RO	Parent Company 2019 RO	Group 2018 RO	Parent Company 2018 RO
Short-term benefits	747,133	747,133	777,769	777,769
Employees' end of service benefits	32,441	32,441	28,830	28,830
Directors' remuneration	184,732	184,732	171,800	171,800
Directors' sitting fees	12,200	12,200	28,200	28,200
	976,506	976,506	1,006,599	1,006,599

The Directors' remuneration for the year 2019 is subject to shareholders' approval at the annual general meeting.

(c) Balances with related parties as at 31 December were as follows:

	Group 2019 RO	Parent Company 2019 RO	Group 2018 RO	Parent Company 2018 RO
Payable to:				
- *Subsidiary companies*				
Al Rawdah Integrated Trade & Investment Enterprises LLC	-	90,000	-	90,000
- *Other related party*				
Omani Packaging Co SAOG	84,266	84,266	63,659	63,659
Receivable from:				
- *Subsidiary companies*				
Arabian Auto Vending LLC	-	785,762	-	-
- *Shareholders*				
Dubai Refreshments PSC, UAE	29,899	29,899	21,550	21,550
- *Other related parties*				
Sheikh Ahmad Bin Omair	686	686	-	-

24 Commitments and contingent liabilities

	Group 2019 RO	Parent Company 2019 RO	Group 2018 RO	Parent Company 2018 RO
Letters of guarantee	826,010	826,010	1,471,992	1,471,992
Purchase commitments	275,618	275,618	691,502	691,502
Capital commitments	-	-	857,293	857,293

Movement in property, plant and equipment (note 17.1)

Group	Land and buildings RO	Leasehold improvements RO	Plant and machinery RO	Motor vehicles RO	Tools and equipment RO	Furniture Fixtures and office equipment RO	Coolers RO	Capital work-in-progress RO	Total RO
Cost									
Balance at 1 January 2019	14,965,233	82,780	21,760,171	4,851,833	62,471	3,359,234	4,309,783	5,399,183	54,790,688
Additions during the year	650,468	-	741,561	120,850	-	115,311	312,397	1,954,762	3,895,349
Transfer	443,427	-	5,987,981	-	-	29,592	-	(6,461,000)	-
Disposals	-	-	-	-	-	-	(110,802)	-	(110,802)
Balance at 31 December 2019	16,059,128	82,780	28,489,713	4,972,683	62,471	3,504,137	4,511,378	892,945	58,575,235
Accumulated depreciation									
Balance at 1 January 2019	3,022,347	82,448	15,585,640	3,849,143	27,382	2,963,165	3,301,400	-	28,831,525
Charge for the year	446,282	332	1,221,558	485,649	30,477	169,984	577,886	-	2,932,168
Disposals	-	-	-	-	-	-	(110,802)	-	(110,802)
Balance at 31 December 2019	3,468,629	82,780	16,807,198	4,334,792	57,859	3,133,149	3,768,484	-	31,652,891
Carrying amount									
Balance at 31 December 2019	12,590,499	-	11,682,515	637,891	4,612	370,988	742,894	892,945	26,922,344

NOTES TO THE CONSOLIDATED AND PARENT COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)

Movement in property, plant and equipment (note 17.1) (continued)

Group	Land and buildings RO	Leasehold improvements RO	Plant and machinery RO	Motor vehicles RO	Tools and equipment RO	Furniture Fixtures and office equipment RO	Coolers RO	Capital work-in-progress RO	Total RO
Cost									
Balance at 1 January 2018	11,664,138	82,780	20,518,871	4,969,888	62,471	3,226,667	4,045,392	535,210	45,105,417
Acquisition of a subsidiary	-	-	624,363	46,170	-	4,914	-	-	675,447
Additions during the year	3,371,920	-	616,937	44,750	-	127,653	424,780	5,291,153	9,877,193
Write off	-	-	-	-	-	-	-	(427,180)	(427,180)
Disposals	(70,825)	-	-	(208,975)	-	-	(160,389)	-	(440,189)
Balance at 31 December 2018	14,965,233	82,780	21,760,171	4,851,833	62,471	3,359,234	4,309,783	5,399,183	54,790,688
Accumulated depreciation									
Balance at 1 January 2018	2,756,532	62,404	13,821,790	3,398,687	27,382	2,646,578	3,024,715	-	25,738,088
Acquisition of subsidiary	-	-	431,179	29,195	-	4,912	-	-	465,286
Charge for the year	265,815	20,044	1,332,671	630,236	-	311,675	437,074	-	2,997,515
Disposals	-	-	-	(208,975)	-	-	(160,389)	-	(369,364)
Balance at 31 December 2018	3,022,347	82,448	15,585,640	3,849,143	27,382	2,963,165	3,301,400	-	28,831,525
Carrying amount									
Balance at 31 December 2018	11,942,886	332	6,174,531	1,002,690	35,089	396,069	1,008,383	5,399,183	25,959,163

NOTES TO THE CONSOLIDATED AND PARENT COMPANY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)

Movement in property, plant and equipment (note 17.1) (continued)

Parent Company	Land and buildings RO	Leasehold improvements RO	Plant and machinery RO	Motor vehicles RO	Tools and equipment RO	Furniture Fixtures and office equipment RO	Coolers RO	Capital work-in-progress RO	Total RO
Cost									
Balance at 1 January 2019	14,965,233	82,780	21,135,808	4,805,663	62,471	3,354,320	4,309,783	5,399,183	54,115,241
Additions during the year	650,468	-	741,561	69,700	-	98,396	205,805	1,954,762	3,720,692
Transfer	443,427	-	5,987,981	-	-	29,592	-	(6,461,000)	-
Disposals	-	-	-	-	-	-	(29,462)	-	(29,462)
Balance at 31 December 2019	16,059,128	82,780	27,865,350	4,875,363	62,471	3,482,308	4,486,126	892,945	57,806,471
Accumulated depreciation									
Balance at 1 January 2019	3,022,347	82,448	15,128,700	3,818,735	27,382	2,958,253	3,301,400	-	28,339,265
Charge for the year	446,282	332	1,221,558	470,100	30,477	168,762	472,292	-	2,809,803
Disposals	-	-	-	-	-	-	(29,462)	-	(29,462)
Balance at 31 December 2019	3,468,629	82,780	16,350,258	4,288,835	57,859	3,127,015	3,744,230	-	31,119,606
Carrying amount									
Balance at 31 December 2019	12,590,499	-	11,515,092	586,528	4,612	355,293	741,896	892,945	26,686,865

NOTES TO THE CONSOLIDATED AND PARENT COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)

Movement in property, plant and equipment (note 17.1) (continued)

Parent Company	Land and buildings RO	Leasehold improvements RO	Plant and machinery RO	Motor vehicles RO	Tools and equipment RO	Furniture Fixtures and office equipment RO	Coolers RO	Capital work-in-progress RO	Total RO
Cost									
Balance at 1 January 2018	11,664,138	82,780	20,518,871	4,969,888	62,471	3,226,667	4,045,392	535,210	45,105,417
Additions during the year	3,371,920	-	616,937	44,750	-	127,653	424,780	5,291,153	9,877,193
Write off	-	-	-	-	-	-	-	(427,180)	(427,180)
Disposals	(70,825)	-	-	(208,975)	-	-	(160,389)	-	(440,189)
Balance at 31 December 2018	14,965,233	82,780	21,135,808	4,805,663	62,471	3,354,320	4,309,783	5,399,183	54,115,241
Accumulated depreciation									
Balance at 1 January 2018	2,756,532	62,404	13,821,790	3,398,687	27,382	2,646,578	3,024,715	-	25,738,088
Charge for the year	265,815	20,044	1,306,910	629,023	-	311,675	437,074	-	2,970,541
Disposals	-	-	-	(208,975)	-	-	(160,389)	-	(369,364)
Balance at 31 December 2018	3,022,347	82,448	15,128,700	3,818,735	27,382	2,958,253	3,301,400	-	28,339,265
Carrying amount									
Balance at 31 December 2018	11,942,886	332	6,007,108	986,928	35,089	396,067	1,008,383	5,399,183	25,775,976