

/Audited	
Auditors Report	English
01/01/2021-31/12/2021	
<b>DISCLOSURE AUDITOR'S REPORT</b>	
<b>DISCLOSURE OF AUDITOR'S REPORT</b>	
<b>AUDITOR'S OPINION</b>	
Unmodified Opinion	Yes
Qualified Opinion	Yes
<b>AUDITOR'S OPINION BASIS</b>	
Basis of Unmodified Opinion	<a href="#">Ref #1</a>
Basis of Qualified Opinion	<a href="#">Ref #2</a>
Key Audit Matters	<a href="#">Ref #3</a>
Other information	<a href="#">Ref #4</a>
Responsibilities of Management and Those Charged with Governance for the Financial Statements	<a href="#">Ref #5</a>
Auditor's Responsibilities for the Audit of the Financial Statements	<a href="#">Ref #6</a>
Report on Other Legal and Regulatory Requirements	<a href="#">Ref #7</a>

# 1

We have audited the parent company and consolidated financial statements (“the financial statements”) of **Oman Refreshment Company SAOG** (the “Parent Company”) and its subsidiaries (the “Group”), which comprise the parent company and consolidated statements of financial position as at 31 December 2021, and the parent company and consolidated statements of profit or loss and other comprehensive income, parent company and consolidated statements of changes in equity and parent company and consolidated statements of cash flows for the year then ended, and notes to the parent company and consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company financial statements present fairly, in all material respects, the financial position of the parent company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

### **Basis for opinion on the parent company financial statements**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the auditor’s responsibilities for the audit of the parent company financial statements section of our report. We are independent of the parent company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the Parent company financial statements in the Sultanate of Oman, we have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

# 2

In our opinion, except for the effects and possible effects of the matters described in the basis for qualified opinion on the consolidated financial statements section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

### **Basis for qualified opinion on the consolidated financial statements**

Property, plant and equipment, which is carried in the consolidated statement of financial position at RO 43,244,689, includes items of property, plant and equipment which have a carrying amount of RO 989,820. We were unable to obtain sufficient appropriate audit evidence about the carrying amount of the aforementioned items of property, plant and equipment because management did not provide us with an itemised analysis of this amount. Consequently, we were unable to determine whether any adjustments to this amount were necessary.

Trade and other receivables, which are carried in the consolidated statement of financial position at RO 13,376,021, includes trade and other receivables of RO 980,479. We were unable to obtain sufficient appropriate audit evidence about the carrying amount of the aforementioned trade and other receivables because management did not provide us with an itemised analysis of this amount. Consequently, we were unable to determine whether any adjustments to this amount were necessary.

Trade and other payables, which are carried in the consolidated statement of financial position at RO 22,611,703, includes trade and other payables of RO 2,249,146. We were unable to obtain sufficient appropriate audit evidence about the carrying amount of the aforementioned trade and other payables because management did not provide us with an itemised analysis of this amount. Consequently, we were unable to determine whether any adjustments to this amount were necessary.

Deferred tax asset (net), which is carried in the consolidated statement of financial position at RO 803,556, includes a deferred tax asset of RO 782,460. We were unable to obtain sufficient appropriate audit evidence about the carrying amount of the aforesaid deferred tax asset (net), because management did not provide us with an itemised analysis of this amount. Consequently, we were unable to determine whether any adjustments to this amount were necessary.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the auditor’s responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Sultanate of Oman, we have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

# 3

### **Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the parent company and consolidated financial statements of the current year. These matters were addressed in the context of our audit of the parent company and consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter in that context. In addition to the matter described in the basis of qualified opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.

#### **Key audit matters**

#### **How our audit addressed the Key audit matters**

#### ***Acquisition of subsidiary – consolidated financial statements***

Our procedures included, inter alia, the following:

The Group acquired 100% of the share capital of Atlas Bottling Corporation Limited (ABC) with effect from 1 September 2021 for a total consideration of RO 23.10 million. Goodwill of RO 12.72 million was

We have performed the following procedures in response to the key audit matter identified:

- Evaluated the design and implementation of controls over the acquisition.

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recognized provisionally as a result of this acquisition and represents the excess of the total consideration over the book value of net assets acquired of RO 10.38 million.

This transaction is in the scope of IFRS 3 Business Combinations. The Group has performed provisional accounting in these financial statements which will be retrospectively adjusted at the time of computation of purchase price allocation within one year measurement period from the acquisition date.

We have determined this to be a key audit matter based on the materiality and the complexities involved in the acquisition.

The Group's accounting policy and relevant disclosures relating to accounting for business combinations are set out in notes 3 and 8, respectively to the financial statements.

- Reviewed the sale and purchase agreements entered into for the acquisition and the handover documents to verify the effective date of transaction, which took place during the year and other relevant documentation to understand the terms and conditions of the agreement.
- Discussed the basis with management for performing the provisional accounting.
- Agreed the assets acquired and liabilities assumed of ABC to the ABC audited financial statements as at 31 August 2021.
- We reperformed the arithmetical accuracy of the calculation of provisional goodwill accounted for in these consolidated financial statements.
- We assessed the disclosures made in in the consolidated financial statements to determine if they were in compliance with IFRSs.

#4

#### Other information

The Board of Directors ("the Board") is responsible for the other information. The other information comprises the Board of Directors' Report, Corporate Governance report and Management Discussion and Analysis report were obtained prior to the auditor's report. The other information does not include the financial statements and our auditor's report thereon.

Our qualified opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of the auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis of Qualified Opinion section of our report, there were certain account balances where we were unable to obtain sufficient appropriate audit evidence about the carrying amounts, thus, we were unable to determine if the other information is materially misstated in respect of this matters.

#5

#### Responsibilities of management and those charged with governance for the parent company and consolidated financial statements

Management is responsible for the preparation and fair presentation of the parent company and consolidated financial statements in accordance with IFRSs and their preparation in compliance with the relevant requirements of the Capital Market Authority of the Sultanate of Oman and the applicable provisions of the Commercial Companies Law of 2019, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company and consolidated financial statements, management is responsible for assessing the parent company and the Group'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 parent company and the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the parent company's and the Group's financial reporting process.

#6

#### Auditor's responsibilities for the audit of the parent company and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the parent company and consolidated financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 parent company and consolidated 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 parent company and consolidated 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 parent company's and / or the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 parent company's and/or the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in these 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 auditor's report. However, future events or conditions may cause the parent company and / or the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the parent company and consolidated financial statements, including the disclosures, and whether the parent

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company and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance 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 to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the those charged with the governance, we determine those matters that were of most significance in the audit of the parent company and consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's 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 the parent company and consolidated financial statements comply, in all material respects, with the relevant disclosure requirements of the Commercial Companies Law of 2019 and the disclosure requirements issued by the Capital Market Authority.

*The above paragraphs #1 - #7 of the Auditor's report is only a reproduction from the full audit report issued on 10 March 2022 . Please refer to the full set of financial statements including the independent auditor's report thereon, that is available at the Oman Refreshment Company Building - Al Ghubra - Muscat. PO Box 30. PC 111 CPO Airport, Sulatante of Oman.*

Auditors Report		English	<u>/Audited</u>
		01/01/2021-31/12/2021	
<b>DISCLOSURE AUDITOR'S REPORT</b>			
<b>DISCLOSURE OF AUDITOR'S DETAILS</b>			
Name of partner signing off auditor's report	Sachin Singhal		
Registration number of partner signing off auditor's report	502140		
Name of audit firm	Deloitte & Touche (M.E) & Co. LLC		
Registration number of Audit firm	1736256		
Date of certification from auditor	10/03/2022		