Auditors Report	English 01/01/2023-31/12/2023
DISCLOSURE AUDITOR'S REPORT	
DISCLOSURE OF AUDITOR'S REPORT	
AUDITOR'S OPINION	
Unmodified Opinion	Yes
Qualified Opinion	No
Adverse Opinion	No
Disclaimer of Opinion	No
AUDITOR'S OPINION BASIS	
Opinion and basis of Opinion	Ref #1
Key Audit Matters	Ref #2
Other information	Ref #3
Responsibilities of Management and Those Charged with Governance for the Financial Statements	Ref #4
Auditor's Responsibilities for the Audit of the Financial Statements	Ref #5
Report on Other Legal and Regulatory Requirements	Ref #6

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Opinion

We have audited the separate and consolidated financial statements of Oman Refreshment Company SAOG (the “Parent Company”) and its Subsidiaries (together the “Group”), which comprise the separate and consolidated statement of financial position as at 31 December 2023, and the separate and consolidated statement of profit or loss and comprehensive income, separate and consolidated statement of changes in equity and separate and consolidated statement of cash flows for the year then ended, and notes to the separate and consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of Parent Company and Group as at 31 December 2023, and their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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 Separate and Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), together with the ethical requirements that are relevant to our audit of the separate and consolidated financial statements in the Sultanate of Oman, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of separate and consolidated financial statements of the current period. These matters were addressed in the context of our audit of the separate and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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
Expected credit losses on trade receivables *Refer to accounting policies and note 12 to the separate and consolidated financial statements.* The Group is required to regularly assess the recoverability of trade receivables. The Group has applied expected credit losses model (ECL) for measuring the credit impairment of the trade receivables which allows for lifetime expected credit losses to be recognised from the initial recognition of trade receivables. The Group determines the expected credit losses on the trade receivables based on historical credit loss experience, adjusted for forward looking factors specific to the parties and the economic environment. Due to the significance of trade receivables and the involvement of estimation uncertainty in the ECL calculation, this has been considered as a key audit matter.	Our audit procedures included the following: • Obtained an understanding of the Group's process for measurement of ECL; • Evaluated the reasonableness of the key judgments and estimates relating to calculation of probability of default and forward looking factors made in the ECL model; • Analysed the ageing of receivables and verified its accuracy; and • Obtained the list of outstanding receivables and assessed the recoverability of these through inquiry with management and by obtaining sufficient corroborative evidence to support the conclusions.

Inventory valuation

Refer to accounting policies and note 11 to the separate and consolidated financial statements.

Inventories of the Group comprises of raw materials, packaging materials, finished goods, trading items and stores, spares and consumables.

As disclosed in note 3.19 to the separate and consolidated financial statements, inventories are measured at lower of cost or net realisable value. At year end, the valuation of inventories is reviewed by management and the cost of inventories is reduced where inventories are forecasted to be sold below cost.

Assessing the net realisable value of inventory is an area of significant judgement, in particular the estimation of provision for slow moving and obsolete inventories which is a critical accounting estimate and judgement.

The impairment analysis includes significant judgement to be exercised and involves high degree of estimation uncertainty. Due to the significant judgement involved, this is a key audit matter.

Our audit procedures included the following:

- Considered the provision methodology applied by management by comparing to prior year methodology;
- Evaluated the assumptions and judgements applied by management in determining the provision;
- Tested and evaluated historical information, data trends and ageing profiles; and
- Analysed the provisions by performing analytical procedures on provisioning levels, including the historical experience.

Key Audit Matters	How our audit addressed the Key Audit Matters
Impairment of goodwill *Refer to note 6 to the separate and consolidated financial statements.* At 31 December 2023, the carrying value of goodwill amounted to RO 1,390,491. In accordance with IAS 36 Impairment of Assets, an entity is required to test goodwill acquired in a business combination for impairment annually. An impairment is recognised in the separate and consolidated statement of profit or loss and comprehensive income when the recoverable amount is less than the carrying amount. The determination of the recoverable amount is based on discounted future cash flows and benchmarking the values with market multiples. In addition, the recoverable amounts are based on the use of important assumptions, estimates or assessments made by management, in particular future cash flow projections, the estimate of the discount rates and long-term growth rates.	Our audit procedures included the following: • Obtained understanding of the process for the impairment assessment, identified the relevant internal controls over the impairment assessment process and tested their design and implementation; • Checked the independence, background and experience of the third-party valuer to ensure his competence and capability; • Evaluated whether the cash flows, assumptions and methodology in the models used to calculate recoverable value are in accordance with IAS 36 Impairment of Assets; • Obtained and analysed the approved business plans for each cash generating unit to assess accuracy of the computations and the overall reasonableness of key assumptions; • Compared actual historical cash flow results with previous forecasts to assess forecasting accuracy; • Assessed the methodology used by the Group to estimate the Weighted Average Cost of Capital (WACC) and benchmarked that with discount rates used by other similar business and other external sector related guidelines; • Benchmarked the values with market multiples, where applicable; and • Assessed the disclosure in the separate and consolidated financial statements relating to goodwill as per the requirements of IFRSs.

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Other Information

Management is responsible for the other information. The other information comprises the Chairman's report and Management Discussion and Analysis report and Corporate Governance report but does not include the separate and consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the separate and consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate and consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of Management and Those Charged With Governance for the Separate and Consolidated Financial Statements

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

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

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

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Auditor’s Responsibilities for the Audit of the Separate and Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate and consolidated financial statements as a whole 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 separate and consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate 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 Group’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s 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 the separate and consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate 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 separate and 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate and consolidated financial statements of the current period 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

In our opinion, the separate and consolidated financial statements of the Parent Company and the Group for the year ended 31 December 2023 comply, in all material respects, with the relevant disclosure requirements of the Commercial Companies Law of the Sultanate of Oman, 2019, and disclosure requirements issued by the Capital Market Authority.

Auditors Report	English 01/01/2023-31/12/2023
DISCLOSURE OF AUDITOR'S DETAILS	
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Name of partner signing off auditor's report	Nasser al Mugheiry
Registration number of partner signing off auditor's report	L1024587
Name of audit firm	ABU TIMAM GRANT THORNTON
Registration number of Audit firm	1098977
Date of certification from auditor	25/02/2024

ANNUAL FINANCIAL STATEMENTS WERE APPROVED BY THE BOARD OF DIRECTORS ON 25 Feb 2024