

**Semac & Partners LLC**

**Financial statements for the year  
ended 31 March 2022**

**Semac & Partners LLC**

**Financial statements for the year ended 31 March 2022**

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<b>Contents</b>	<b>Page</b>
Administration and contact details	1
Members' report	2
Independent auditor's report	3 - 5
Statement of financial position	6
Statement of profit or loss and other comprehensive income	7
Statement of changes in members' equity	8
Statement of cash flows	9
Notes to the financial statements	10 - 29

## **Semac & Partners LLC**

### **Administration and contact details as at 31 March 2022**

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<b>Commercial registration number</b>	1594788
<b>Members</b>	Semac Consultants Private Limited, India IBN Khaldun Al Madaen Engineering Consultants LLC
<b>Registered office</b>	Post Box 3784 Postal code 112 Muscat Sultanate of Oman
<b>Bankers</b>	Bank Muscat SAOG Oman Arab Bank SAOG
<b>Auditors</b>	BDO LLC Suite No. 601 & 602 Pent House, Beach One Building Way No. 2601, Shatti Al Qurum PO Box 1176, Ruwi, PC 112 Muscat Sultanate of Oman

**Semac & Partners LLC**  
**Members' report**

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The Members submit their report and the audited financial statements for the year ended 31 March 2022.

**Principal activities**

The Company's principal activity is providing engineering and architectural consultancy services.

**Basis of preparation of accounts**

The accompanying financial statements have been prepared in accordance with International Financial Reporting Standards and the Commercial Companies Law and Regulations of the Sultanate Of Oman.

**Results and appropriations**

The results of the Company for the year ended 31 March 2022 are set out on page 7 of the financial statements.

**Auditors**

The financial statements have been audited by BDO LLC who offer themselves for re-appointment.

On behalf of Semac & Partners LLC



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**Semac Consultants Private Limited, India**  
**Member**



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Sultanate of Oman

## **Independent Auditor's Report to the Members of Semac & Partners LLC**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of Semac & Partners LLC (the Company), which comprise the statement of financial position as at 31 March 2022, the statement of profit and loss and other comprehensive income, the statement of changes in members' equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2022, and its financial performance and its 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 Financial Statements* section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the 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.

#### **Other Information**

Management is responsible for the other information. The other information comprises the Members' report but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information 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, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs and their preparation in compliance with the applicable provisions of the Commercial Companies Law and Regulations of the Sultanate of Oman, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

BDO LLC, an Omani registered limited liability company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for BDO International network and for each of the BDO Member Firms.

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**Independent Auditor's Report to the Members of  
Semac & Partners LLC (continued)**

**Responsibilities of Management and Those Charged with Governance for the Financial Statements (continued)**

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



**Independent Auditor's Report to the Members of  
Semac & Partners LLC (continued)**

**Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

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.

**Report on Other Legal and Regulatory Requirements**

We report that, the financial statements of the Company as at, and for the year ended, 31 March 2022, in all material respects, comply with the applicable provisions of the Commercial Companies Law of the Sultanate of Oman.

Muscat  
19 May 2022



  
**BDO LLC**

**Semac & Partners LLC**  
**Statement of financial position as at 31 March 2022**  
**(Expressed in Omani Rials)**

	Notes	2022	2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Furniture and equipment	6	10,542	24,854
Margin money deposit	19	119,106	122,438
<b>Total non-current assets</b>		<u>129,648</u>	<u>147,292</u>
<b>Current assets</b>			
Trade and other receivables	8	574,437	534,136
Cash and bank balances	18	41,720	214,621
<b>Total current assets</b>		<u>616,157</u>	<u>748,757</u>
<b>Total assets</b>		<u>745,805</u>	<u>896,049</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital	10	250,001	250,001
Legal reserve	11	83,667	83,667
Retained earnings		150,775	99,252
<b>Total capital and reserves</b>		<u>484,443</u>	<u>432,920</u>
<b>Non-current liabilities</b>			
Employees' benefit liabilities	12	65,828	63,436
<b>Total non-current liabilities</b>		<u>65,828</u>	<u>63,436</u>
<b>Current liabilities</b>			
Due to Parent Company	9	7,383	999
Payables	13	183,114	381,331
Income tax payable	20	5,037	17,363
<b>Total current liabilities</b>		<u>195,534</u>	<u>399,693</u>
<b>Total liabilities</b>		<u>261,362</u>	<u>463,129</u>
<b>Total equity and liabilities</b>		<u>745,805</u>	<u>896,049</u>

These financial statements, as set out on pages 6 to 29, were approved and authorised for issue by the members on 19 MAY 2022 and were signed on their behalf by:

Semac Consultants Private Limited, India  
Member



**Semac & Partners LLC****Statement of profit or loss and other comprehensive income for the year ended 31 March 2022****(Expressed in Omani Rials)**

	<b>Notes</b>	<b>Year ended 31 March 2022</b>	<b>Year ended 31 March 2021</b>
Revenue	14	1,171,325	1,203,074
Other income	15	34,470	41,235
		<u>1,205,795</u>	<u>1,244,309</u>
<b>Expenses</b>			
Salaries and other related staff costs	16	(902,522)	(853,481)
General and administrative expenses	17	(204,623)	(257,129)
Depreciation	6	(14,826)	(18,142)
Loss allowance on trade receivables	8	(21,770)	(30,599)
Amounts due from related parties written-off	9	-	(428,979)
		<u>(1,143,741)</u>	<u>(1,588,330)</u>
Profit/(loss) before tax for the year		62,054	(344,021)
Income tax expense	20	(10,531)	(22,563)
<b>Total comprehensive and net profit/(loss) for the year</b>		<u><u>51,523</u></u>	<u><u>(366,584)</u></u>

**Semac & Partners LLC**

**Statement of changes in members' equity for the year ended 31 March 2022**  
**(Expressed in Omani Rials)**

	Notes	Share capital	Proposed increase in share capital	Legal reserve	Retained earnings	Total
At 31 March 2020		250,001	999	83,667	811,484	1,146,151
Total comprehensive and net loss for the year		-	-	-	(366,584)	(366,584)
Transferred to a member	10	-	(999)	-	-	(999)
Dividend proposed	25	-	-	-	(345,648)	(345,648)
At 31 March 2021		250,001	-	83,667	99,252	432,920
Net profit and total comprehensive income for the year		-	-	-	51,523	51,523
At 31 March 2022		250,001	-	83,667	150,775	484,443

**Semac & Partners LLC**

**Statement of cash flows for the year ended 31 March 2022**

**(Expressed in Omani Rials)**

	Notes	Year ended 31 March 2022	Year ended 31 March 2021
<b>Operating activities</b>			
Profit/(loss) before tax for the year		62,054	(344,021)
<b>Adjustments for:</b>			
Depreciation	6	14,826	18,142
Loss allowance on trade receivables	8	21,770	30,599
Profit on disposal of furniture and equipment	15	(1,200)	-
Provision for employees' benefit liabilities	12	4,042	7,276
		<u>101,492</u>	<u>(288,004)</u>
<b>Working capital changes</b>			
Trade and other receivables		(62,071)	(84,631)
Payables		11,783	85,975
Due from related parties		-	385,967
		<u>51,204</u>	<u>99,307</u>
<b>Cash generated from operating activities</b>		<b>51,204</b>	<b>99,307</b>
Income tax paid	20	(22,857)	(23,998)
Employees' benefit liabilities paid	12	(1,650)	(2,600)
<b>Net cash generated from operating activities</b>		<b><u>26,697</u></b>	<b><u>72,709</u></b>
<b>Investing activities</b>			
Purchase of furniture and equipment	6	(514)	(975)
Proceeds from sale of furniture and equipment	15	1,200	-
Margin money deposits matured/(placed)	19	3,332	(790)
<b>Net cash from/(used in) investing activities</b>		<b><u>4,018</u></b>	<b><u>(1,765)</u></b>
<b>Financing activities</b>			
Due to Parent Company	9	6,384	-
Dividend paid	25	(210,000)	(146,452)
<b>Net cash used in financing activities</b>		<b><u>(203,616)</u></b>	<b><u>(146,452)</u></b>
<b>Net change in cash and cash equivalents</b>		<b>(172,901)</b>	<b>(75,508)</b>
Cash and cash equivalents, beginning of year		<u>214,621</u>	<u>290,129</u>
<b>Cash and cash equivalents, end of year</b>	18	<b><u>41,720</u></b>	<b><u>214,621</u></b>

Disclosure as required by IAS 7, "Statement of Cash Flows" has been shown in Note 29 to the financial statements.

## Semac & Partners LLC

### Notes to the financial statements for the year ended 31 March 2022

(Expressed in Omani Rial)

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#### 1 Legal status and principal activities

Semac & Partners LLC (“the Company”) is a limited liability company registered with the Ministry of Commerce, Industry and Investment Promotion in accordance with the provisions of the Commercial Companies Law of the Sultanate of Oman. The Company’s principal activity is providing engineering and architectural consultancy services. The Company is a subsidiary of Semac Consultants Private Limited, incorporated in India (the Parent Company) which is also the Ultimate Parent Company.

The Company’s principal place of business is located at Ruwi, Muscat, Sultanate of Oman.

These financial statements were approved for issue by the members on 19 May 2022.

#### 2 Basis of preparation

##### Statement of compliance

The financial statements have been prepared in accordance with the International Financial Reporting Standards (‘IFRS’) as promulgated by the International Accounting Standards Board (‘IASB’), interpretations issued by the International Financial Reporting Interpretations Committee (‘IFRIC’) and the relevant requirements of the Commercial Companies Law and Regulations of the Sultanate of Oman.

##### Basis of presentation

The financial statements have been prepared under the historical cost convention and going concern assumption, modified for certain assets and liabilities which are stated at their fair values as required by the IFRS. The preparation of financial statements is in conformity with IFRS that requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Company’s accounting policies.

##### Functional currency

The financial statements are presented in Omani Rials (RO), which is the functional and reporting currency for the financial statements.

#### 3 Adoption of new and revised IFRS

##### Standards, amendments and interpretations effective and adopted in the year 2021-22

The following new standards, amendments to existing standards or interpretations to published standards are that have been adopted in the preparation of the financial statements for the year ended 31 March 2022 but have not had a significant effect on the Company:

Standard or Interpretation	Title	Effective for annual periods beginning on or after
Amendments to IFRS 4, 7, 9 and 16	Interest Rate Benchmark Reform	1 January 2021
Amendment to IFRS 16	COVID-19 Related Rent Concessions beyond 30 June 2021	1 April 2021

##### Interest Rate Benchmark Reform (Amendments to IFRS 4, 7, 9 and 16)

The amendments provide temporary relief which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

**3 Adoption of new and revised IFRS (continued)****Standards, amendments and interpretations effective and adopted in the year 2021-22 (continued)****Interest Rate Benchmark Reform (Amendments to IFRS 4, 7, 9 and 16) (continued)**

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest.
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued.
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

These amendments had no impact on the financial statements of the Company. The Company intends to use the practical expedients in future periods if they become applicable.

**COVID-19 Related Rent Concessions beyond 30 June 2021 (Amendments to IFRS 16)**

Effective 1 June 2020, IFRS 16 was amended to provide a practical expedient for lessees accounting for rent concessions that arise as a direct consequence of the COVID-19 pandemic and satisfy the following criteria:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- The reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- There is no substantive change to other terms and conditions of the lease.

Rent concessions that satisfy these criteria may be accounted for in accordance with the practical expedient, which means the lessee does not assess whether the rent concession meets the definition of a lease modification. Lessees apply other requirements in IFRS 16 in accounting for the concession.

The amendment was intended to apply until 30 June 2021, but as the impact of the COVID-19 pandemic was continuing, as at 31 March 2021, the IASB extended the period of application of the practical expedient to 30 June 2022. The amendment applies to annual reporting periods beginning on or after 1 April 2021 with earlier application permitted. The Company does not has any long-term lease contracts, hence the amendment to IFRS 16 is not applicable.

**Standards, amendments and interpretations issued but not yet effective in the year 2021-22**

The following new/amended accounting standards and interpretations have been issued, but are not mandatory and have not been adopted in preparing the financial statements for the year ended 31 March 2022:

Standard or Interpretation	Title	Effective for annual periods beginning on or after
Amendments to IAS 37	Onerous Contracts: Cost of Fulfilling a Contract	1 January 2022
Amendments to IAS 16	Property, Plant and Equipment: Proceeds before Intended Use	1 January 2022
Amendments to IFRS 1, 9, 16 and IAS 41	Annual Improvements to IFRS 2018-2020	1 January 2022
Amendments to IFRS 3	References to Conceptual Framework	1 January 2022
IFRS 17	Insurance Contracts	1 January 2023
Amendments to IAS 1	Disclosure of Accounting Policies	1 January 2023
Amendments to IAS 8	Definition of Accounting Estimates	1 January 2023
Amendments to IAS 12	Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction	1 January 2023

## Semac & Partners LLC

### Notes to the financial statements for the year ended 31 March 2022

(Expressed in Omani Rial)

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#### 3 Adoption of new and revised IFRS (continued)

##### Standards, amendments and interpretations issued but not yet effective in the year 2021-22 (continued)

The Company does not expect these standards issued by the IASB, but not yet effective, to have a material impact on the financial statements of the Company.

##### Early adoption of amendments or standards in the year 2021-22

The Company did not early-adopt any new or amended standards in the year ended 31 March 2022.

#### 4 Summary of significant accounting policies

A summary of the significant accounting policies adopted in the preparation of these financial statements is set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### (a) Furniture and equipment

Furniture and equipment are stated at historical cost less accumulated depreciation and any impairment in value. Cost includes all costs directly attributable to bringing the asset to working condition for their intended use.

Depreciation is calculated in accordance with the straight-line method to write-off the cost of each asset to its estimated residual value over its useful economic life.

Depreciation has been calculated at the following rates:

Description	% per annum
Office equipment	15
Motor vehicles	33.33
Furniture and fixtures	33.33

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining net profit or loss. Depreciation rates and estimated useful lives are reassessed at each reporting date.

Repairs and renewals are charged to profit or loss when the expenditure is incurred.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

##### (b) Intangible assets

Intangible assets, which represent computer software license fee, are initially recognised at cost and subsequently amortised on a straight-line basis over their useful economic lives which is not expected to exceed 3 years. The carrying amount of the intangible asset is reviewed annually and adjusted for permanent impairment where it is considered necessary.

##### (c) Financial instruments

Financial instruments are recognised when the Company becomes a party to the contractual provisions of the instrument. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### Financial assets

The Company determines the classification of its financial assets at initial recognition. The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

**4 Summary of significant accounting policies (continued)**

**(c) Financial instruments (continued)**

**Financial assets (continued)**

**(i) Classification**

The financial assets are classified in the following measurement categories:

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

For assets measured at fair value, gains and losses are recorded in profit and loss or other comprehensive income.

**(ii) Measurement**

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

The Company has classified fair value measurements on a recurring basis using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- 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) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

**Debt instruments**

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies debt instruments at amortised cost based on the below:

- a) the asset is held within a business model with the objective of collecting the contractual cash flows; and
- b) the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the Effective Interest Rate (EIR). Investment in fixed deposits and bonds are carried at amortised cost.

**Equity instruments**

If the Company elects to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments shall continue to be recognised in profit or loss as other income when the Company's right to receive payments is established. There are no impairment requirements for equity investments measured at fair value through other comprehensive income. Changes in the fair value of financial assets at fair value through profit or loss is recognised in other gains/(losses) in profit or loss.

**4 Summary of significant accounting policies (continued)**

**(c) Financial instruments (continued)**

**Financial assets (continued)**

**(iii) De-recognition of financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the assets expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of the transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

**(iv) Impairment of financial assets**

The Company applies the Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the financial assets.

ECL are the probability-weighted estimate of credit losses (i.e. present value of all cash shortfalls) over the expected life of the financial asset. A cash shortfall is the difference between the cash flows that are due in accordance with the contract and the cash flows that the Company expects to receive. The ECL considers the amount and timing of payments and, hence, a credit loss arises even if the Company expects to receive the payment in full but later than when contractually due. The ECL method requires assessing credit risk, default and timing of collection since initial recognition. This requires recognising allowance for ECL in profit or loss even for receivables that are newly originated or acquired.

Impairment of financial assets is measured as either 12 months ECL or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition. '12 months ECL' represents the ECL resulting from default events that are possible within 12 months after the reporting date. 'Lifetime ECL' represent the ECL that results from all possible default events over the expected life of the financial asset.

Trade receivables are of a short duration, normally less than 12 months and hence the loss allowance measured as lifetime ECL does not differ from that measured as 12 months ECL. The Company uses the practical expedient in IFRS 9 for measuring ECL for trade receivables using a provision matrix based on ageing of the trade receivables.

The Company uses historical loss experience and derived loss rates and adjusts the historical loss rates to reflect the information about current conditions and reasonable and supportable forecasts of future economic conditions. The loss rates differ based on the ageing of the amounts that are past due and are generally higher for those with the higher ageing.

**(v) Income recognition**

**Interest income**

For all financial instruments measured at amortised cost and interest-bearing financial assets, interest income is recognised using the EIR, which is the rate that discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

When a loan and receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flows discounted at the original EIR of the instrument, and continues unwinding the discount as interest income. Interest income on impaired financial asset is recognised using the original EIR.



**4 Summary of significant accounting policies (continued)**

**(c) Financial instruments (continued)**

**Financial liabilities**

The Company determines the classification of its financial liabilities at initial recognition. The classification depends on the business model for managing the financial liabilities and the contractual terms of the cash flows.

**(i) Classification**

The financial liabilities are classified in the following measurement categories:

- a) those to be measured as financial liabilities at fair value through profit or loss; and
- b) those to be measured at amortised cost.

**(ii) Measurement**

All financial liabilities are recognised initially at fair value. Financial liabilities accounted at amortised cost like borrowings are accounted at the fair value determined based on the EIR method after considering the directly attributable transaction costs.

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, and subsequently measured at fair value.

The EIR method calculates the amortised cost of a debt instrument by allocating interest charged over the relevant EIR period. The EIR is the rate that exactly discounts estimated future cash outflows (including all fees and points paid or received that form an integral part of the EIR, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. This category applies to other payables.

**(iii) Derecognition of financial liabilities**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

**(d) Impairment of non-financial assets**

The carrying amount of the Company's assets or its cash generating unit, other than financial assets, are reviewed at each statement of financial position date to determine whether there is any indication of impairment. A cash generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other asset and groups. If any such indication exists, the asset's recoverable amount is estimated. The recoverable amount of an asset or a cash generating unit is the greater of its value in use or fair value less costs to sell. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses are reversed only if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount.

**(e) Cash and cash equivalents**

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand and bank balances.

**(f) Provisions**

Provisions are recognised when the Company has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and able to be reliably measured.

**4 Summary of significant accounting policies (continued)**

**(g) Employees' benefit liabilities**

In respect of Omani employees, contributions are made in accordance with the Oman Social Insurance Law and recognised as an expense in profit or loss as incurred.

For non-Omani employees, provision is made for amounts payable under the Oman Labour Law, based on the employees' accumulated periods of service at the statement of financial position date. This provision is classified as a non-current liability.

Employee entitlements to annual leave and air passage are recognised when they accrue to the employees and an accrual is made for the estimated liability for annual leave and air passage as a result of services up to the reporting date. The accruals relating to annual leave and air passage is disclosed as a part of current liabilities.

**(h) Revenue recognition**

The Company provides engineering and architectural consultancy services to the customers. Revenue from contracts with customers are recognised in accordance with IFRS 15 over a period of time using the milestone approach under the output method. If the consideration promised in a contract includes a variable amount, then the Company estimates the amount of consideration to which it expects to be entitled. Consideration can vary because of discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, penalties or other similar items.

Contract modifications are accounted when these are approved. Approved modifications, where a change in price has not been agreed, are accounted as variable consideration. Revenue from claims is accounted as variable consideration only when it is highly probable that revenue will not reverse in future.

The Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

**(i) Dividend distribution**

Dividend is recognised as a liability in the financial statements in the year in which the dividends are approved by the members.

**(j) Other income**

Other income is accounted for on the accruals basis, unless collectability is in doubt.

**(k) Foreign currencies**

Foreign currency transactions are accounted for at the rates of exchange prevailing at the dates of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation, at the year-end rates, of monetary assets and liabilities denominated in foreign currencies, are recognised in profit or loss. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange prevailing at the end of the year. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date when the carrying value was determined.

**4 Summary of significant accounting policies (continued)**

**(l) Income tax**

Income tax is provided for in accordance with the fiscal regulations of the Sultanate of Oman.

Current tax is recognised in profit or loss as the expected tax payable on the taxable income for the year, using tax-rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

Deferred taxation is provided using the liability method on all temporary differences at the reporting date. It is calculated adopting a tax-rate that is the rate that is expected to apply to the periods when it is anticipated the liabilities will be settled, and which is based on tax-rates (and laws) that have been enacted at the statement of financial position date.

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 benefits will be realised.

**(m) Determination of fair values**

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. Fair values have been determined for measurement and/or disclosure purposes based on certain methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

**(n) Leases - the Company as a lessee**

The Company assesses whether a contract is or contains a lease, at the inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets. For these leases, consistent with accounting policy of previous year for all operating leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

**5 Critical accounting estimates and key source of estimation uncertainty**

Preparation of financial statements in accordance with IFRS requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. The determination of estimates requires judgments which are based on historical experience, current and expected economic conditions, and all other available information. Actual results could differ from those estimates.

The most significant areas requiring the use of management estimates and assumptions in these financial statements relate to:

**5 Critical accounting estimates and key source of estimation uncertainty (continued)**

**(i) Impairment reviews**

IFRS requires management to undertake an annual test for impairment of indefinite life assets and, for finite life assets, to test for impairment if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Impairment testing is an area involving management judgment, requiring inter-alia an assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate.

In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters including management's expectations of:

- a) growth in earnings before interest, tax, depreciation and amortisation (EBITDA), calculated as adjusted operating profit before depreciation and amortisation;
- b) timing and quantum of future capital expenditure;
- c) long-term growth rates; and
- d) selection of discount rates to reflect the risks involved.

Changing the assumptions selected by management, in particular the discount rate and growth rate assumptions used in the cash flow projections, could significantly affect the Company's impairment evaluation and hence results.

**(ii) Economic useful lives of furniture and equipment**

The Company's furniture and equipment are depreciated on a straight-line basis over their economic useful lives. The economic useful lives of furniture and equipment are reviewed periodically by management. The review is based on the current condition of the assets and the estimated period during which they will continue to bring economic benefit to the Company.

**(iii) Impairment losses on trade receivables**

Trade receivables are stated at their amortised cost as reduced by appropriate impairment allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the trade receivable balances and historical experience adjusted appropriately for the future expectations. Individual trade receivables are written-off when management deems them not to be collectible.

**(iv) Contingencies**

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of such contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

**(v) Going concern**

The management of the Company reviews the financial position of the Company on a periodical basis and assesses the requirement of any additional funding to meet the working capital requirements and estimated funds required to meet the liabilities as and when they become due. In addition, the members of the Company ensure that they provide adequate financial support to fund the requirements of the Company to ensure the going concern status of the Company.

**5 Critical accounting estimates and key source of estimation uncertainty (continued)**

**(vi) Taxation**

Uncertainties exist with respect to the interpretation of tax regulations and the amount and timing of future taxable income. Given the wide range of business relationships and nature of the existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to the assumptions, could necessitate future adjustments to taxable income and expenses already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of finalisation of tax assessments of the Company. The amount of such provisions is based on various factors, such as experience of previous tax assessments and differing interpretations of tax regulations by the taxable entity and the responsible Tax Authority.

**(vii) Fair value measurements**

A number of assets and liabilities included in the Company's financial statements require measurement at, and/or disclosure of, fair value. The fair value measurement of the Company's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. The classification of an item into the level 1, level 2 and level 3 hierarchy is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

## Semac & Partners LLC

### Notes to the financial statements for the year ended 31 March 2022

(Expressed in Omani Rial)

#### 6 Furniture and equipment

a) The movement in furniture and equipment is as set out below:

2021-22	Motor vehicles	Furniture and fixtures	Office equipment	Total
<b>Cost</b>				
At 31 March 2021	206,257	25,626	54,643	286,526
Additions during the year	-	-	514	514
Disposals during the year	(5,725)	-	-	(5,725)
At 31 March 2022	<u>200,532</u>	<u>25,626</u>	<u>55,157</u>	<u>281,315</u>
<b>Accumulated depreciation</b>				
At 31 March 2021	185,759	22,017	53,896	261,672
Charge for the year	12,970	1,109	747	14,826
Relating to disposals	(5,725)	-	-	(5,725)
At 31 March 2022	<u>193,004</u>	<u>23,126</u>	<u>54,643</u>	<u>270,773</u>
<b>Net book amount</b>				
At 31 March 2022	<u>7,528</u>	<u>2,500</u>	<u>514</u>	<u>10,542</u>
<b>2020-21</b>				
<b>Cost</b>				
At 31 March 2020	206,257	25,626	53,668	285,551
Additions during the year	-	-	975	975
At 31 March 2021	<u>206,257</u>	<u>25,626</u>	<u>54,643</u>	<u>286,526</u>
<b>Accumulated depreciation</b>				
At 31 March 2020	172,788	20,909	49,833	243,530
Charge for the year	12,971	1,108	4,063	18,142
At 31 March 2021	<u>185,759</u>	<u>22,017</u>	<u>53,896</u>	<u>261,672</u>
<b>Net book amount</b>				
At 31 March 2021	<u>20,498</u>	<u>3,609</u>	<u>747</u>	<u>24,854</u>

(b) The Company operates from premises leased from third parties at annual rent of RO 20,782 (31 March 2021: RO 21,785) per annum. As at the reporting date, the lease contract is for the period of less than a year. Hence, the Company has applied exemption available in the IFRS 16 relating to short-term leases. Additionally, the Company has short-term lease contracts for employee accommodations.

**Semac & Partners LLC**

**Notes to the financial statements for the year ended 31 March 2022**

**(Expressed in Omani Rial)**

<b>7 Intangible assets</b>		
<b>2021-22</b>	<b>Computer software</b>	<b>Total</b>
<b>Cost</b>		
At 31 March 2021 and at 31 March 2022	<u>26,496</u>	<u>26,496</u>
<b>Accumulated amortisation</b>		
At 31 March 2021 and at 31 March 2022	<u>26,496</u>	<u>26,496</u>
<b>Net book amount</b>		
At 31 March 2022	<u>-</u>	<u>-</u>
<b>2020-21</b>	<b>Computer software</b>	<b>Total</b>
<b>Cost</b>		
At 31 March 2020 and at 31 March 2021	<u>26,496</u>	<u>26,496</u>
<b>Accumulated amortisation</b>		
At 31 March 2020 and at 31 March 2021	<u>26,496</u>	<u>26,496</u>
<b>Net book amount</b>		
At 31 March 2021	<u>-</u>	<u>-</u>
<b>8 Trade and other receivables</b>	<b>2022</b>	<b>2021</b>
Trade receivables (gross)	673,763	674,485
Less: loss allowance	<u>(129,861)</u>	<u>(160,630)</u>
Trade receivables (net)	543,902	513,854
Prepaid expenses	22,065	19,393
Advance to suppliers	7,390	-
Other advances	<u>1,080</u>	<u>889</u>
	<u>574,437</u>	<u>534,136</u>

- (a) Trade receivables are generally on 60 to 90 days credit terms.
- (b) The carrying amounts of the Company's trade receivables are denominated in RO.
- (c) The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Company does not hold any collateral as security.

## Semac & Partners LLC

### Notes to the financial statements for the year ended 31 March 2022

(Expressed in Omani Rial)

#### 8 Trade and other receivables (continued)

- (d) The Company applies the IFRS 9 simplified approach to measure loss allowance using a lifetime ECL provision for trade receivables. To measure ECL on a collective basis, trade receivables are grouped based on similar credit risk and aging. The ECL rates are based on the Company's historical credit losses. The historical losses are then adjusted for the current and forward-looking information on macro-economic factors affecting the Company's customers.

At 31 March 2022, the ageing analysis and lifetime ECL loss allowance on trade receivables is as follows:

	Upto 180 days	180 days to 365 days	More than 365 days	Total
Gross carrying amount	378,493	177,676	117,594	673,763
Loss provision	10,324	25,559	93,978	129,861

At 31 March 2021, the ageing analysis and lifetime ECL loss allowance on trade receivables is as follows:

	Upto 180 days	180 days to 365 days	More than 365 days	Total
Gross carrying amount	422,717	28,447	223,321	674,485
Loss provision	32,957	9,419	118,254	160,630

The movement in ECL is as follows:

	Year ended 31 March 2022	Year ended 31 March 2021
Opening balance	160,630	130,031
Charge for the year	21,770	30,599
Written-off during the year	(52,539)	-
Closing balance	129,861	160,630

The creation and release of provision for impaired trade receivables have been included in profit or loss. Amounts charged to the provision account are generally written-off, when there are no expectation of recovering additional cash.

#### 9 Related party transactions and balances

The Company, in the ordinary course of business, deals with entities, which fall within the definition of "related parties" as contained in International Accounting Standard 24. The terms of these transactions are mutually agreed and approved by the members. The balances due from and to related parties have been disclosed separately in the statement of financial position.



## Semac & Partners LLC

### Notes to the financial statements for the year ended 31 March 2022

(Expressed in Omani Rial)

#### 9 Related party transactions and balances

	2022	2021
<b>a) Balances due from related parties are as follows:</b>		
Semac Consultants, Dubai	-	242,730
Semac Consultants Africa Ltd.	-	186,249
	-	428,979
Less: write-off during the year	-	(428,979)
	-	-
<b>b) Due to Parent Company</b>	<b>2022</b>	<b>2021</b>
Semac Consultants Private Limited, India	7,383	999

Amounts due from related parties are unsecured, have no fixed repayment terms and arise in the ordinary course of business. During the year ended 31 March 2021, the amounts due from related parties were fully written-off.

#### 10 Share capital and proposed increase in share capital

The share capital, as registered with the Ministry of Commerce Industry and Investment Promotion, is RO 250,001 (2021: RO 250,001), comprising of 250,001 shares of RO 1 each (2021: 250,001 shares of RO 1 each).

A break down of the shareholding pattern as at 31 March 2022 and 2021 is as follows:

Name of the Members	Percentage shareholding	Amount
Semac Consultants Private Limited, India	65%	162,501
IBN Khaldun Al Madaen Engineering Consultants LLC	35%	87,500
	100%	250,001

An additional amount of RO 999 which was earlier contributed by the members towards the proposed increase in share capital was transferred back to the member during the year ended 31 March 2021.

#### 11 Legal reserve

In accordance with the provisions of the Commercial Companies Law, an amount equivalent to 10% of the Company's net profit before appropriations is required to be transferred to a non-distributable reserve until such time as a minimum of one-third of the share capital is set aside.

	2022	2021
<b>12 Employees' benefit liabilities</b>		
Opening balance	63,436	58,760
Charge for the year (Note 16)	4,042	7,276
Payments during the year	(1,650)	(2,600)
Closing balance	65,828	63,436
Number of employees	57	62

**Semac & Partners LLC**

**Notes to the financial statements for the year ended 31 March 2022**

**(Expressed in Omani Rial)**

<b>13 Payables</b>	<b>2022</b>	<b>2021</b>
Accrued expenses	144,385	157,549
Dividend payable (Note 25)	-	210,000
Other payables	13,180	1,152
Advance from customers	12,310	12,631
Value-Added-Tax (VAT) payable, net	13,239	-
	<u>183,114</u>	<u>381,331</u>

Other payables are generally settled within 60 to 90 days of the suppliers' invoice date.

<b>14 Revenue</b>	<b>Year ended 31 March 2022</b>	<b>Year ended 31 March 2021</b>
<b>Revenue recognised over a period-of-time in the Sultanate of Oman:</b>		
Revenue from engineering and architectural consulting services	<u>1,171,325</u>	<u>1,203,074</u>

<b>15 Other income</b>	<b>Year ended 31 March 2022</b>	<b>Year ended 31 March 2021</b>
Tender fees	32,394	40,995
Profit on sale of furniture and equipment	1,200	-
Miscellaneous income	876	240
	<u>34,470</u>	<u>41,235</u>

<b>16 Salaries and other related staff costs</b>	<b>Year ended 31 March 2022</b>	<b>Year ended 31 March 2021</b>
Staff salaries	854,120	816,566
Other related staff costs	44,360	29,640
Provision for employees' benefits liabilities (Note 12)	4,042	7,276
	<u>902,522</u>	<u>853,481</u>

## Semac & Partners LLC

### Notes to the financial statements for the year ended 31 March 2022

(Expressed in Omani Rial)

<b>17 General and administrative expenses</b>	<b>Year ended 31 March 2022</b>	<b>Year ended 31 March 2021</b>
Professional fees	21,411	73,698
Insurance	43,403	62,621
Rent expense on short-term lease	36,799	34,491
Office expenses	33,133	18,919
Vehicle expenses	28,582	30,201
Postage and telephone	18,057	16,265
Travelling and conveyance	6,666	7,993
Electricity and water	3,304	2,288
Registration and renewals	6,095	3,282
Printing and stationery	2,482	3,977
Government fees	1,984	2,447
Repairs and maintenance	1,417	385
Donation	882	250
Bank charges	408	313
	<u>204,623</u>	<u>257,129</u>

<b>18 Cash and bank balances</b>	<b>2022</b>	<b>2021</b>
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For the purposes of the statement of cash flows, cash and bank balances comprise the following:

Cash on hand	539	3,215
Current account balances with banks	<u>41,181</u>	<u>211,406</u>
	<u>41,720</u>	<u>214,621</u>

The current account balances with banks are non-interest bearing.

<b>19 Margin money deposit</b>	<b>2022</b>	<b>2021</b>
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Margin money deposit	<u>119,106</u>	<u>122,438</u>
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Margin money deposits are pledged with the banks against the guarantees issued to the Company's customers (Note 24). These projects are not expected to be completed within 12 months from the date of the financial position and accordingly, reflected under non-current assets.

## 20 Income tax

- (a) Provision for income tax amounting to RO 10,531 (2021: RO 22,563) has been made after giving due consideration to adjustments for potential allowances and disallowances. Income tax assessment is completed up to the year 2018. The management considers that the amount of additional taxes, if any, that may become payable in relation to the tax years for which assessments that are pending would not be material to the Company's financial position as at 31 March 2022.

## Semac & Partners LLC

### Notes to the financial statements for the year ended 31 March 2022

(Expressed in Omani Rial)

20 Income tax (continued)		
(b) Income tax expense	Year ended 31 March 2022	Year ended 31 March 2021
Current tax:		
- Current year	5,037	17,363
- Prior years	5,494	5,200
	<u>10,531</u>	<u>22,563</u>
(c) Income tax payable reported in the statement of financial position is as follows:	2022	2021
Opening balance	17,363	18,798
Add: provision for the current year	5,037	17,363
Add: provision for prior years	5,494	5,200
Less: payments during the year	(22,857)	(23,998)
Closing balance	<u>5,037</u>	<u>17,363</u>

The Company has not recognised deferred tax assets of RO 22,252 (2021: RO 26,655) as the management believes that the amount is not material to the financial statements.

## 21 Capital risk management

The capital is managed by the Company in a way that it is able to continue to operate as a going concern while maximising returns to members.

The capital of the Company consists of share capital, retained earnings and reserves. The Company manages its capital by making adjustments in bringing additional capital in light of changes in business conditions.

## 22 Financial assets and liabilities and risk management

### (a) Financial assets and liabilities

Financial assets and liabilities carried on the statement of financial position include cash and bank balances, trade and other receivables, due to Parent Company, and payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

### (b) Risk management

Risk management is carried out by the Finance Department under policies approved by the members. The Finance Department identifies, evaluates and hedges financial risks in close co-operation with the members. The Company provides principles for overall risk management, as well as policies covering specific areas.

**22 Financial assets and liabilities and risk management (continued)**

**(c) Capital management**

The primary objective of the management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise members' value.

The Company manages its capital structure and make adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies and processes during the years ended 31 March 2022 and 2021.

In addition, the Company's activities expose it to a variety of financial risks: market risk (including currency rate risk, interest rate risk and price risk), credit risk and liquidity risk.

**(d) Market risk**

**(i) Foreign exchange risk**

Foreign exchange risk is the risk that the fair values or future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates.

The majority of the Company's financial assets and financial liabilities are either denominated in RO or currencies pegged against the U.S. Dollars. Hence the management believes that there would not be a material impact on the profitability if these foreign currencies weaken or strengthen against the RO with all other variables held constant.

Management considers that sensitivity analysis is not necessary due to the Company's limited exposure to foreign exchange risk.

**(ii) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates.

The Company is not exposed to interest rate risk as the Company has not borrowed any funds at commercial interest rates.

**(iii) Price risk**

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Company does not have any investments and is, therefore, not exposed to price risk.

**(e) Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Company is potentially exposed to credit risk principally on its trade receivables and bank balances. The bank balances are held with national banks with good credit ratings. The credit risk on trade receivables is subject to credit evaluations and provision is made for estimated irrecoverable amounts. The Company is not exposed to any significant concentration of credit risk due to its large number of customers.

## Semac & Partners LLC

### Notes to the financial statements for the year ended 31 March 2022

(Expressed in Omani Rial)

#### 22 Financial assets and liabilities and risk management (continued)

##### (f) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company's management monitors liquidity requirements on a regular basis to help ensure that sufficient funds are available, including unutilised credit facilities with funds, to meet any future commitments. The Company manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecasted and actual cash flows.

Liabilities as at 31 March 2022	Total	Less than a year
Due to Parent Company	7,383	7,383
Payables	183,114	183,114
	<u>190,497</u>	<u>190,497</u>

  

Liabilities as at 31 March 2021	Total	Less than a year
Due to Parent Company	999	999
Payables	381,331	381,331
	<u>382,330</u>	<u>382,330</u>

#### 23 Fair values of financial instruments

Financial instruments consist of financial assets and liabilities. Financial assets and liabilities carried on the statement of financial position include cash and bank balances, trade and other receivables, due to Parent Company and payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

The fair values of the Company's financial assets and liabilities are not materially different from their carrying amounts.

24 Contingent liabilities	2022	2021
Performance bonds	98,870	103,470
Bid bonds	636	-
	<u>99,506</u>	<u>103,470</u>

#### 25 Dividend

During the year ended 31 March 2021, the Company proposed an interim dividend of RO 345,648 and paid RO 146,452, including RO 10,804 for the previous years and remaining RO 210,000 was paid during the year ended 31 March 2022.

#### 26 Comparative figures

Certain comparative figures have been regrouped or reclassified, wherever necessary, so that they conform to those of the current year. Such regroupings or reclassifications do not affect previously reported net profit or members' equity.

## Semac & Partners LLC

### Notes to the financial statements for the year ended 31 March 2022

(Expressed in Omani Rial)

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#### 27 Subsequent events

There were no events occurring subsequent to 31 March 2022 and before the date of the approval that are expected to have a significant impact on these financial statements.

#### 28 Implications of COVID-19

On 11 March 2020, the World Health Organisation declared COVID-19 outbreak as a pandemic. Responding to the potentially serious threat that this pandemic has to public health, the Supreme Committee of the Sultanate of Oman has taken a series of measures to contain the outbreak, which included imposing multiple 'lock-downs' across the country from 22 March 2020.

COVID-19 interrupted the movement of people and goods throughout the world, as well as affecting the profitability and long-term viability of many entities. While many jurisdictions have experienced an improved economic outlook in the year 2021, many jurisdictions and industries are still being affected significantly by the effects of COVID-19. This includes supply chain disruptions, changes in demand for goods and services as well as the uncertainty of future Government-imposed restrictions on operations.

Management is currently monitoring the situation and its impact on the Company's operation and its financial position and believes that, based on their assessment, the Company has sufficient liquidity available to continue to meet its financial commitments for the foreseeable future when they become due.

#### 29 Notes supporting the statement of cash flows

Transactions from financing activities shown in the reconciliation of liabilities from financing transactions is as follows:

		Cash (outflows) /inflows	Non-cash changes	31 March 2022
<b>2021-22</b>	<b>1 April 2021</b>			
<b>Particulars</b>				
Dividend payable	210,000	(210,000)	-	-
Due to Parent Company	999	6,384	-	7,383
<b>2020-21</b>	<b>1 April 2020</b>	<b>Cash flows</b>	<b>Non-cash changes</b>	<b>31 March 2021</b>
<b>Particulars</b>				
Dividend payable	10,804	(146,452)	345,648	210,000
Due to Parent Company	-	-	999	999