1 Nature of operations

Majan Glass Company SAOG (the "Company") is primarily engaged in manufacturing and sale of empty glass containers.

2 General information and statement of compliance with IFRSs

The Company is registered as a public listed joint stock company. The registered address of the Company is PO Box 17, Sohar, Postal Code 327, Sultanate of Oman. The principal place of business is located in Sohar and its shares are listed on Muscat Securities Exchange.

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by International Accounting Standards Board (IASB) and the relevant requirements of the Commercial Companies Law of the Sultanate of Oman, 2019.

Oman Investment Authority holds 75.26% of the share capital of the Company and has the power to control the financial and operating policies.

2.1 Going concern assumption

The Company incurred a loss of RO 984,617 for the year ended 31 December 2022. However, the Company has generated net cash from operating activities of RO 423,053 during the year ended 31 December 2022. As at that date, the current liabilities exceeded its current assets by RO 732,691. However, the Company has a positive equity of RO 1,144,357 as at 31 December 2022. The Board of Directors believes that it is appropriate to prepare these financial statements on a going concern basis due to the following:

- Management has prepared five years cash flow projections which depict uninterrupted continuity of operations;
- The major Shareholder of the Company, Oman Investment Authority (OIA), is a state-owned entity;
- OIA has confirmed that the current portion of their loan amounting to RO 450,000 will be deferred if required, until the Company has sufficient cash to repay it and also, OIA has waived the default interest rate of 12%;
- During the financial year 2023, the Company has decided to increase the sale price of their products and majority of the existing customers have agreed to this price revision;
- Management is also trying to source their main raw materials locally from Sultanate of Oman to compete with its competitors in the region;
- The Company has obtained a waiver from its bank, for the maintenance of covenant ratio as per their borrowing agreement:
- The Company continues to be a local market leader in glass manufacturing and overall local and international changes works in favour of the Company; and
- The Board of Directors has taken necessary measures to strengthen the financial position of the Company and also to improve the profitability in the future by restricting non-essential capital expenditure and implementing initiatives to reduce corporate overheads.

3 New or revised Standards or Interpretations

3.1 New Standards adopted as at 1 January 2022

Some accounting pronouncements which have become effective from 1 January 2022 and have therefore been adopted do not have a significant impact on the Company's financial results or position.

3 New or revised Standards or Interpretations (continued)

3.2 Standards, amendments and Interpretations to existing Standards that are not yet effective and have not been adopted early by the Company

At the date of authorisation of these financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB or IFRIC. None of these Standards or amendments to existing Standards have been adopted early by the Company and no Interpretations have been issued that are applicable and need to be taken into consideration by the Company at either reporting date.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Company's financial statements.

4 Summary of significant accounting policies

4.1 Overall considerations

The financial statements have been prepared using the measurement bases specified by IFRSs for each type of asset, liability, income and expense. The measurement bases are more fully described in accounting policies below.

The significant accounting policies set out below have been applied consistently by the Company to all periods presented in these financial statements.

4.2 Presentation of financial statements

The financial statements are presented in accordance with IAS 1 *Presentation of Financial Statements.*

4.3 Foreign currency translation

Functional and presentation currency

The financial statements are presented in the Rial Omani (RO) which is also the functional currency of the Company.

Foreign currency transaction and balances

Foreign currency transactions are translated into the presentation currency of the Company, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items of statement of financial position at year-end exchange rates are recognised in the statement of profit or loss and other comprehensive income under 'other income' or 'other expenses'.

In the Company's financial statements, all items and transactions of the Company with a transaction currency other than the Rial Omani (the Company's presentation currency) were translated into the presentation currency. Assets and liabilities have been translated into the Rial Omani at the closing rate at the reporting date. Income and expenses have been translated into the Company's presentation currency at the average rates over the reporting period.

Non-monetary items measured at historical cost are translated using the exchange rates at the date of the transaction (not retranslated). Non-monetary items measured at fair value are translated using the exchange rates at the date when fair value was determined.

4 Summary of significant accounting policies (continued)

4.4 Revenue

To determine whether to recognise revenue, the Company follows a 5-step process:

- Identifying the contract with a customer;
- Identifying the performance obligations;
- Determining the transaction price;
- Allocating the transaction price to the performance obligations; and
- Recognising revenue when/as performance obligation(s) are satisfied.

Revenue represents sale of glass products and other related products in normal course of business and is recognised at a point in time when the performance obligation is satisfied and is based on the amount of transaction price that is allocated to the performance obligation. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods to the customer.

The consideration expected by the Company may include fixed or variable amounts which can be impacted by the sales returns, trade discounts and volume rebates. Income from operations is recognised when the control of the asset is transferred to the buyer and when it is highly probable that a significant reversal of revenue will not occur and when uncertainties related to variable consideration are resolved.

Transfer of control varies depending on the individual terms of the contract of sale. Revenue from transactions that have distinct goods or services are accounted for separately based on their stand-alone selling prices. A variable consideration is recognised to the extent it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

For products for which a right of return exists during a defined period, revenue recognition is determined based on the historical pattern of the actual returns, or in cases where such information is not available, revenue recognition is postponed until the return period has lapsed.

4.5 Leases

The Company as a lessee

For any new contracts entered into, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition, the Company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company;
- the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Company has the right to direct the use of the identified asset throughout the period of use the Company assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

4 Summary of significant accounting policies (continued)

4.5 Leases (continued)

Measurement and recognition of leases as a lessee (continued)

The Company depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit or loss if the right-of-use asset is already reduced to zero. On the statement of financial position, the right-of-use asset and lease liability are presented as a line.

4.6 Operating expenses

Operating expenses are recognised in the statement of profit or loss and other comprehensive income upon utilisation of the service or as incurred.

4.7 Cash and bank balances

Cash and bank balances comprise cash at bank and cash in hand which are subject to an insignificant risk of changes in value.

4.8 Equity

Share capital is determined using the nominal value of shares that have been issued. Accumulated losses include all current and prior period results as disclosed in the statement of changes in equity.

4.9 Directors' remuneration

The Company follows the Sultanate of Oman's Commercial Companies Law of the Sultanate of Oman, 2019, and other latest relevant directives issued by CMA, in regard to determination of the amount to be paid as Directors remuneration.

4.10 Segment reporting

A segment is a distinguishable component of the Company that is engaged in providing products or services (business segment) or in providing products or services within a particular economic environment (geographical segment) whose operating results are regularly reviewed by the Company's Finance Controller, which is subject to risks and rewards that are different from those of other segments. The Finance Controller, who is responsible for allocating resources assessing performance of the operating segments make strategic decisions has been identified collectively as the Board of Directors.

The Company operates in three reporting segments within the geographical segment. All relevant information relating to the operating segment is disclosed in Note 20 of the financial statements.

4 Summary of significant accounting policies (continued)

4.11 Dividend distribution

The Board of Directors recommend to the Shareholders the dividend to be paid out of Company's profits. The Directors take into account appropriate parameters including the requirements of the Sultanate of Oman's Commercial Companies Law of the Sultanate of Oman, 2019, while recommending the dividend. Dividend distribution to the Company's Shareholders is recognised as a liability in the financial statements only in the period in which the dividends are approved by the Company's Shareholders.

4.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost which is determined on weighted average cost basis, comprises expenditure incurred in the normal course of business in brining inventories to their present location and condition. Net realisable value is the estimate of the selling price in the ordinary course of business less any incidental selling expenses. Where necessary, provision is made for obsolete, slow moving and defective inventories. Cost of finished products and work in progress includes cost of direct materials, direct labour and applicable direct overheads.

4.13 Income tax

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the Company's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full. Deferred tax assets and liabilities are offset only when the Company has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income (such as the revaluation of land) or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

4.14 Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

4 Summary of significant accounting policies (continued)

4.14 Financial instruments (continued)

Classification and initial measurement of financial assets (continued)

Financial assets, other than those designated and effective as hedging instruments, are classified into one of the following categories:

- amortised cost
- fair value through profit or loss (FVTPL), or
- fair value through other comprehensive income (FVOCI).

In the period presented, the Company does not have any financial assets categorised as FVTPL and FVOCI.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Impairment of financial assets

IFRS 9's impairment requirements use forward-looking information to recognise expected credit losses the 'expected credit loss (ECL) model'. Instruments within the scope of IFRS-9 included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the Company's first identifying a credit loss event. Instead, the Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1'); and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

Stage 3 would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

4 Summary of significant accounting policies (continued)

4.14 Financial instruments (continued)

Impairment of financial assets (continued)

Trade and other receivables

Trade receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Company makes use of a simplified approach in accounting for trade and other receivables as well as accounts assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Company assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been based on the days past due.

Classification and subsequent measurement of financial liabilities

The Company's financial liabilities include long-term loans, short-term loans and trade and other payables which are measured at amortised cost.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in the statement of profit or loss and other comprehensive income under its line items 'finance costs' or 'finance income'.

4.15 Property, plant and equipment

The cost of the property, plant and equipment includes the cost of bringing them to their present location and condition. The cost of replacing part of an item of property, plant and equipment is recognised in carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. All other cost is recognised in the statement of comprehensive income as expenditure incurred. Depreciation is recognised on a straight-line basis to write down the cost or valuation less estimated residual value of property, plant and equipment other than freehold land. The following useful lives are applied:

Buildings	40 years
Plant and machinery	1-25 years
Equipment, furniture and fixtures	6-10 years
Motor vehicles	4 years
Moulds	3 years

Assets residual value estimates are updated as required, but at least annually, whether or not the asset is revalued. An asset carrying amount is written down immediately to its recoverable amount if the assets carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the assets and are recognised within 'other income' or 'other expenses' in the statement of profit or loss and other comprehensive income.

4 Summary of significant accounting policies (continued)

4.15 Property, plant and equipment (continued)

Capital work in progress is stated at cost and includes all expenditures incurred on engineering, design work, borrowing costs and costs directly attributable to the project engineering, procurement and construction or installation until such time the assets are put to use, when these will be allocated to property, plant and equipment. Capital work in progress is not depreciated. Depreciation on property, plant and equipment is charged to the statement of comprehensive income on a straight line basis over the estimated useful life of the assets.

In the case of right-of-use asset, expected useful life is determined by reference to comparable owned assets or the lease term, if shorter. Material residual value estimates and estimates of useful life are updated as required, but at least annually.

4.16 Change in estimate

During the year, based on the external independent expert's report, the Company has increased the useful life of plant and machinery. The revision was accounted for prospectively as a change in accounting estimate and as result, the depreciation charge of the Company for 2022 decreased by RO 178,198 and carrying amount of plant and machinery increased by RO 178,198 as compared to the amounts if there had not been any change in estimate.

4.17 Intangible assets

Intangible assets are acquired assets that are stated at cost less accumulated amortisation and accumulated impairment loss and are amortised on a straight-line basis over their estimated useful lives as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date and adjusted for impairment where it is considered necessary. The following useful lives are applied:

Software	5 years
Civil defence licence	3 years

4.18 Impairment test on non-financial assets

For impairment assessment purpose, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Individual assets or cash-generating units with an indefinite useful life or those not yet available for use are tested for impairment. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value-in use. To determine the value-in-use, management estimate the expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. Management of the Company have reviewed the assets of the Company and are of the opinion that no impairment has occurred to any of the Company's assets.

4.19 Employees' terminal benefits

The provision for employees' terminal benefits is based upon the liability accrued in accordance with the terms of employment of the Company's employees at the reporting date, having regard to the requirements of the Oman Labour Law, 2003 and the Social Security Law, 1991.

Government of Oman Social Insurance Scheme (the "Scheme")

The Company contributes to the Scheme for all Omani employees. The Scheme, which is a defined contributions retirement plan, is administered by the Government of Oman. The Company and Omani employees are required to make monthly contributions to the Scheme at applicable rates respectively, of gross salaries.

4 Summary of significant accounting policies (continued)

4.19 Employees' terminal benefits (continued)

Non-Omani employee terminal benefits
The provision for end of service benefits for non-Omani employees is made in accordance with the requirements of the Oman Labour Law of 2003. Employees are entitled to end of service benefits calculated at the rate of 15 days' basic salary for each of the first three years of continuous service and at a rate of 30 days' basic salary for each year of continuous service following the first three years. This is an unfunded defined benefits retirement plan. Accrued non-Omani staff terminal benefits are payable on termination of employment.

4.20 Provisions, contingent liabilities and contingent assets

Provisions are recognised when present obligations will probably lead to an outflow of economic resources from the Company and they can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate of the Company's management.

In those cases, where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, no liability is recognised, unless it was assumed in the course of a business combination. These contingent liabilities are recognised in the course of the allocation of purchase price to the assets and liabilities acquired in the business combination. They are subsequently measured at the higher amount of a comparable provision as described above and the amount initially recognised, less any amortisation.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as an asset. However, this asset may not exceed the amount of the related provision.

Probable inflows of economic benefits to the Company that do not yet meet the recognition criteria of an asset are considered contingent assets.

4.21 Legal reserve

In accordance with Commercial Companies Law of the Sultanate of Oman, 2019, an amount equal to 10% of the net profit after tax is transferred to legal reserve. This transfer will be made until the total reserve equals one-third of the share capital of the Company.

4.22 Significant management judgement and estimates

When preparing the financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Judgments

The following are the judgements made by management in applying the accounting policies of the Company that have the most significant effect on these financial statements.

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

4 Summary of significant accounting policies (continued)

4.22 Significant management judgement in applying accounting policies (continued)

Going concern

Management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, these financial statements continue to be prepared on the going concern basis. For further information, please refer Note 2.1.

Estimation uncertainty

Information about estimates and assumptions that may have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected usage of the assets. At 31 December 2022, management assesses that, the useful lives represent the expected usage of the assets to the Company. The carrying amounts are analysed in Notes 5, 6 and 7.

Impairment of inventories

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices. The carrying amounts are analysed in Note 8.

Income tax

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

Estimating the incremental borrowing rate – Leases

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liability. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

5 Property, plant and equipment

	Buildings RO	Plant and machinery RO	Equipment, furniture and fittings RO	Motor vehicles RO	Moulds RO	Capital work-in-progress RO	Total RO
Gross book value:							
At 1 January 2022	1,667,973	19,316,365	406,195	84,659	2,292,773	26,740	23,794,705
Additions	4,106	238,742	17,545	-	275,074	-	535,467
Transfer to intangible assets	-	-	-	-	-	(26,740)	(26,740)
Disposals	-	-	-	-	(33,422)	-	(33,422)
At 31 December 2022	**1,672,079**	**19,555,107**	**423,740**	**84,659**	**2,534,425**	**-**	**24,270,010**
Depreciation:							
At 1 January 2022	478,830	17,327,014	384,967	78,956	1,795,280	-	20,065,047
Provided during the year	45,117	485,565	23,603	4,581	357,363	-	916,229
Disposals	-	-	-	-	(33,422)	-	(33,422)
At 31 December 2022	**523,947**	**17,812,579**	**408,570**	**83,537**	**2,119,221**	**-**	**20,947,854**
Net book value:							
At 31 December 2022	**1,148,132**	**1,742,528**	**15,170**	**1,122**	**415,204**	**-**	**3,322,156**

The carrying amounts for the comparative year are as follows:

	Buildings RO	Plant and machinery RO	Equipment, furniture and fittings RO	Motor vehicles RO	Moulds RO	Capital work-in-progress RO	Total RO
Gross book value:							
At 1 January 2021	1,650,581	20,554,847	386,572	84,659	2,025,075	219,533	24,921,267
Additions	17,392	452,910	19,947	-	334,526	26,740	851,515
Disposals	-	(1,910,925)	(324)	-	(66,828)	-	(1,978,077)
Transfers	-	219,533	-	-	-	(219,533)	-
At 31 December 2021	1,667,973	19,316,365	406,195	84,659	2,292,773	26,740	23,794,705
Depreciation:							
At 1 January 2021	434,744	18,363,310	364,229	71,675	1,519,876	-	20,753,834
Provided during the year	44,086	874,629	21,062	7,281	342,232	-	1,289,290
Disposals	-	(1,910,925)	(324)	-	(66,828)	-	(1,978,077)
At 31 December 2021	478,830	17,327,014	384,967	78,956	1,795,280	-	20,065,047
Net book value:							
At 31 December 2021	1,189,143	1,989,351	21,228	5,703	497,493	26,740	3,729,658

Depreciation for the year has been allocated as follows:

	Year ended 31 December 2022 RO	Year ended 31 December 2021 RO
Cost of operations (Note 21)	**888,046**	1,258,595
General and administrative expenses (Note 23)	**28,183**	30,695
	916,229	1,289,290

Certain plant and machinery items have been mortgaged with a local commercial bank against long-term loans and other facilities obtained (Notes 16 and 17).

Capital work in progress pertained to civil defence license which has been capitalised under intangible assets and some plant and machinery.

Based on management assessment, there is no indication of impairment of property, plant and equipment at the reporting date.

6 Intangible assets

	31 December 2022 RO	31 December 2021 RO
At 1 January	**684**	3,038
Additions during the year	**28,964**	-
Amortisation during the year	**(2,437)**	(2,354)
At 31 December	**27,211**	684

7 Right-of-use asset and lease liability

The land on which the plant is constructed has been leased from Sohar Industrial Estate from the Public Establishment for Industrial Estates for a period of 25 years until 13 September 2023. The lease term can be extended by an additional 25 years at the request of the Company.

Movement in right-of-use asset is as follows:

	31 December 2022 RO	31 December 2021 RO
Cost:		
At 1 January/31 December	**477,148**	477,148
Depreciation:		
At 1 January	**304,473**	202,982
Charge for the year	**101,491**	101,491
At 31 December	**405,964**	304,473
Net book value:		
At 31 December	**71,184**	172,675

Lease liability is presented in the statement of financial position as follows:

	31 December 2022 RO	31 December 2021 RO
Current	**63,584**	111,431
Non-current	**-**	63,583
	63,584	175,014

8 Inventories

	31 December 2022 RO	31 December 2021 RO
Raw materials	**539,616**	244,426
Spares and consumables	**1,726,649**	1,612,781
Finished goods	**1,084,502**	1,587,863
Work in progress	**281,275**	422,097
Packing materials	**222,158**	138,542
Others	**83,409**	49,906
	3,937,609	4,055,615
Less: Allowance for slow moving inventories	**(242,420)**	(203,760)
	3,695,189	3,851,855

Movement in allowance for slow moving items is as follows:

	31 December 2022 RO	31 December 2021 RO
At 1 January	**203,760**	166,184
Provided for the year	**38,660**	37,576
At 31 December	**242,420**	203,760

9 Trade and other receivables

	31 December 2022 RO	31 December 2021 RO
Financial assets:		
Trade receivable	2,102,763	3,088,887
Less: Allowance for expected credit losses (Note 30.2)	(35,968)	(30,968)
	2,066,795	3,057,919
Non-financial assets:		
Other receivables	529,268	225,770
Advances to suppliers	168,251	131,877
	2,764,314	3,415,566

All amounts are short-term. The net carrying value of trade and other receivables is considered a reasonable approximation of fair value. Note 30.2 includes disclosures relating to the credit risk exposures and analysis relating to the allowance for expected credit losses.

10 Related party transactions

The Company's related parties include key management personnel, major Shareholders and other business entities held under common control as described below and have the significant influence over the Company. Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received.

10.1 Transactions with key management personnel

Key management personnel include Directors, Chief Executive Officer and the Financial Controller.

Key management personnel compensation includes the following:

	Year ended 31 December 2022 RO	Year ended 31 December 2021 RO
Short-term employment benefits	193,984	210,607
Employees' end of service benefits	5,893	5,207
Directors' sitting fees	10,950	11,950
	210,827	227,764

The Directors' sitting fees and Directors' other expenses and other related party transactions are subject to shareholders' approval at the forthcoming Annual General Meeting.

10.2 Transaction with shareholder

	Year ended 31 December 2022 RO	Year ended 31 December 2021 RO
Finance costs (Note 16.1)	108,000	108,000

11 Prepayments and deposits

	31 December 2022 RO	31 December 2021 RO
Prepayments	55,435	71,131
Deposits	5,238	11,102
	60,673	82,233

12 Cash and bank balances

	31 December 2022 RO	31 December 2021 RO
Cash at bank	**60,012**	23,673
Cash in hand	**2,432**	2,435
	62,444	26,108

There are no restrictions on bank balances at the time of approval of the financial statements.

13 Share capital

a) The authorised share capital consists of RO 5,000,000 comprising of 50,000,000 shares (2021: 50,000,000 shares) of RO 0.100 each (2021: RO 0.100 each).
b) The issued and fully paid-up capital consists of 42,023,300 shares of RO 0.100 each (2021: 42,023,300 shares of RO 0.100 each).
c) Shareholders of the Company as at 31 December 2022 and 2021 who own 10% or more of the Company's shares, and the number of shares they hold are as follows:

	Number of shares	% Holding
Oman Investment Authority	**31,625,000**	**75.26**

14 Legal reserve

In accordance with Article 132 of the Commercial Companies Law of the Sultanate of Oman, 2019, 10% of the net profit of the Company has to be transferred to a non-distributable legal reserve until the amount of the legal reserve becomes equal to one third of the Company's issued share capital. During the year, RO Nil (2021: RO Nil) has been transferred to legal reserve because Company incurred a loss during the year.

Legal reserve includes the excess of 'share expenses' amounting to RO 9,335 (2021: RO 9,335) received from public subscription over expenses incurred in accordance with the Company's Articles of Association.

15 Employees' end of service benefits

	2022 RO	2021 RO
At 1 January	**279,556**	311,365
Charge during the year	**35,245**	34,411
Paid during the year	**(43,678)**	(66,220)
	271,123	279,556

16 Long-term loans

	31 December 2022 RO	31 December 2021 RO
Term loan I (Note 16.1)	**1,800,000**	1,800,000
Term loan II (Note 16.2)	**610,000**	860,000
	2,410,000	2,660,000
Less: current portion of the term loans	**(760,000)**	(812,500)
Non-current portion of term loans	**1,650,000**	1,847,500

16.1 Term loan I

During the year 2019, the Company signed a convertible unsecured loan agreement amounting to RO 1.8 million with Oman Investment Authority. The loan carries interest at 6% per annum (default rate: 12% per annum) and is repayable in 16 equal quarterly installments. The repayment commencement date was initially postponed from March 2021 to December 2021, and later postponed to December 2022. The Company did not pay any installment during the period.

16 Long-term loans (continued)

16.1 Term loan I (continued)

The loan is convertible to equity shares at the option of lender, either upon occurrence of the event of default as specified in agreement or at any time at the sole discretion of the lender. The conversion price will be equal to the prevailing market share price of the Company at the time of conversion. On conversion these shares will be credited as fully paid and rank pari passu with all other shares of the Company then in issue. However, the lender waived off default interest rate of 12% and did not exercise the conversion option upto 31 December 2022.

16.2 Term loan II

During the year 2015, the Company availed a term loan amounting to RO 1,350,000 from a local commercial bank. The loan carries interest at 8.25% per annum and is repayable in 72 monthly instalments, The loan is secured by usufruct mortgage of RO 1.5 million on lease hold property commercial mortgage in pari-passu with other local bank of RO 1.5 million on the existing plant and machinery.

17 Short-term loans

	31 December 2022 RO	31 December 2021 RO
Loan against trust receipts	**1,551,579**	687,268
Bill discounting	**220,000**	265,000
Bank overdrafts	**1,043,828**	994,272
	2,815,407	1,946,540

These loans are obtained from local commercial banks and carry interest at prevailing commercial rates.

These loans are secured against assignment of certain trade receivables, commercial mortgage over machinery and other assets as well as assignment of the insurance policies of the assets financed in favour of the bank.

The term loan agreements with banks contain certain covenants pertaining to maintaining current, leverage and debt coverage ratios. Although the actual ratios were not within the covenanted level at 31 December 2022, the Company received a waiver from the bank for the maintenance of the covenant ratios.

18 Trade and other payables

	31 December 2022 RO	31 December 2021 RO
Financial liabilities:		
Trade payables	**1,882,817**	2,752,497
Accruals and other payables	**1,309,859**	1,524,562
	3,192,676	4,277,059
Non-financial liabilities:		
Advance from customers	**483,644**	520,284
	3,676,320	4,797,343

All amounts are short-term. The carrying values of trade and other payables are considered to be a reasonable approximation of fair values.

19 Net assets per share

	31 December 2022	31 December 2021
Net assets (RO)	**1,144,357**	2,128,974
Number of shares outstanding	**42,023,300**	42,023,300
Net assets per share (RO)	**0.027**	0.051

20 Income from operations (segment wise)

The Company's income from operations represents the revenue from contracts with customers by transfer of goods at a point in time in the following geographical regions and product lines.

a) Primary geographical markets

	Year ended 31 December 2022 RO	Year ended 31 December 2021 RO
Other than GCC countries	**7,760,410**	6,489,572
GCC countries	**3,880,079**	3,906,662
Sultanate of Oman	**1,382,987**	1,228,218
	13,023,476	11,624,452

b) Timing of revenue recognition

	Year ended 31 December 2022 RO	Year ended 31 December 2021 RO
Products transferred at a point in time	**13,023,476**	11,624,452

c) Product lines

	Year ended 31 December 2022 RO	Year ended 31 December 2021 RO
Sale of empty glass containers	**13,023,476**	11,624,452

21 Cost of operations

	Year ended 31 December 2022 RO	Year ended 31 December 2021 RO
Materials and spares consumed	**6,262,271**	4,679,830
Fuel, electricity and water	**2,151,430**	2,003,896
Employee related costs (Note 24)	**1,894,637**	1,915,880
Depreciation on property, plant and equipment (Note 5)	**888,046**	1,258,595
Repairs and maintenance	**111,204**	67,385
Depreciation on right-of-use asset (Note 7)	**101,491**	101,491
Allowance for slow moving inventories (Note 8)	**38,660**	37,576
Interest on lease liability	**14,001**	22,255
Equipment hiring charges	**5,016**	11,179
	11,466,756	10,098,087

22 Other income

	Year ended 31 December 2022 RO	Year ended 31 December 2021 RO
Old liabilities written back	**109,755**	7,600
Sale of scrap	**46,042**	39,393
Gain on disposal of property, plant and equipment	**-**	35,222
Net foreign exchange gain	**69,040**	16,826
Provision for expected credit losses reversed	**-**	972
	224,837	100,013

23 General and administrative expenses

	Year ended 31 December 2022 RO	Year ended 31 December 2021 RO
Employee related costs (Note 24)	606,939	633,630
Insurance expenses	117,515	133,660
Legal and professional charges	57,848	47,454
Communication expenses	39,200	35,963
Depreciation of property, plant and equipment (Note 5)	28,183	30,695
Vehicle expenses	14,968	12,751
Travelling expenses	14,933	11,143
Directors' sitting fees (Note 10.1)	10,950	11,950
Information technology charges	9,811	10,014
Amortization of intangible assets (Note 6)	2,437	2,354
Recruitment expenses	1,855	4,969
Miscellaneous expenses	30,116	75,521
	934,755	1,010,104

24 Employee related costs

	Year ended 31 December 2022 RO	Year ended 31 December 2021 RO
Salaries and wages	2,094,773	2,106,036
Social security expenses	80,165	83,239
End of service benefit expenses	35,987	34,411
Other employee related costs	290,651	325,824
	2,501,576	2,549,510

Salaries and employee related costs allocations are made based on cost centres:

	Year ended 31 December 2022 RO	Year ended 31 December 2021 RO
Cost of operations (Note 21)	1,894,637	1,915,880
General and administrative expenses (Note 23)	606,939	633,630
	2,501,576	2,549,510

25 Selling and distribution expenses

	Year ended 31 December 2022 RO	Year ended 31 December 2021 RO
Freight charges	1,092,305	1,033,938
Sales commission	24,564	34,825
Other expenses	22,059	10,240
	1,138,928	1,079,003

26 Finance costs

	Year ended 31 December 2022 RO	Year ended 31 December 2021 RO
Interest on short-term loans	155,794	138,283
Interest on long-term loans	169,797	192,532
Letter of credit charges	-	2,822
Bank charges	30,872	46,921
	356,463	380,558

27 Income tax

The Company is subject to income tax at the rate of 15% (2021: 15%) in accordance with the Income Tax Law of the Sultanate of Oman. No provision for tax has been made during the year, as there were no taxable profits (2021: Nil).

a) Deferred tax asset

Deferred tax arising from temporary differences is summarised as follows:

	1 January 2022 RO	Recognised in profit or loss RO	Recognised in other comprehensive income RO	31 December 2022 RO
Deferred tax asset:				
Tax losses	708,648	(331,028)	-	377,620
Deferred tax asset	**708,648**	**(331,028)**	-	**377,620**

	1 January 2021 RO	Recognised in profit or loss RO	Recognised in other comprehensive income RO	31 December 2021 RO
Deferred tax asset:				
Tax losses	933,922	(225,274)	-	708,648
Deferred tax asset	933,922	(225,274)	-	708,648

At 31 December 2022, no deferred tax asset on the excess of deductible temporary difference (including tax losses) on taxable temporary differences has been recognised in these financial statements due to uncertainty regarding the timing of availability of adequate future taxable profits.

b) Current status of tax assessments

The Company's tax assessments have been finalised with the Secretariat General for Taxation for all years till 2020. At the end of the reporting date, management considers that the amount of additional taxes, if any, that may become payable on finalisation of the unassessed tax years would not be material to the financial statements.

28 Basic and diluted loss per share

Both the basic and diluted loss per share have been calculated by dividing the net loss at the year-end by the number of shares outstanding as at the year-end which are as follows:

	Year ended 31 December 2022 RO	Year ended 31 December 2021 RO
Earnings:		
Loss for the year for basic loss per share	**(984,617)**	(1,068,561)
Effect of dilutive potential ordinary shares interest on convertible loan (net of tax)	**91,800**	91,800
Loss for diluted loss per share	**(892,817)**	(976,761)
Number of shares:		
Weighted average number of shares for basic loss per share	**42,023,300**	42,023,300
Effect of dilutive potential ordinary shares – convertible loan	**11,111,111**	11,111,111
Weighted average number of ordinary shares for the purpose of diluted loss per share	**53,134,411**	53,134,411
Basic loss per share	**(0.023)**	(0.025)
Diluted loss per share	**(0.017)**	(0.018)

29 Commitments and contingent liabilities

At the end of the reporting period, the Company had contingent liabilities in respect of bank guarantees entered into in the normal course of business from which it is anticipated that no material liabilities will arise.

	31 December 2022 RO	31 December 2021 RO
Capital commitments	**650,000**	260,000
Letters of credit	**228,322**	332,466
Bank guarantees	**100,000**	55,000
	978,322	647,466

30 Financial instrument risk

Risk management objectives and policies

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Company is exposed to are described below.

30.1 Market risk analysis

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market. The Company does not have any financial instrument which is exposed to market risk.

Foreign currency risk

Foreign currency risk is the risk that financial instrument will fluctuate due to change in foreign exchange rates. Assets are typically funded in the same currency as that of the business being transacted to eliminate exchange exposures. Management believes that there is a minimal risk of significant loss due to exchange rate fluctuations and consequently the company does not hedge its foreign currency exposure.

The Company operates in international markets and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US Dollars (USD), Euros (EUR), Saudi Rials (SAR) and UAE Dirhams (AED). As the exchange rate of Rial Omani is pegged against US Dollar, the Company is not subject to any significant currency risk.

To mitigate the Company's exposure to foreign currency risk, cash flows are monitored in accordance with the Company's risk management policies.

Interest rate risk

Interest rate risk arises from the possibility of changes in interest rates and mismatches or gaps in the amount of assets and liabilities that mature or are re-priced in a given period.

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Company is exposed to interest rate risk on its interest bearing liabilities with commercial banks (term loans).

The interest rate on loans is on fixed rate basis.

30.2 Credit risk analysis

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The carrying amounts of financial assets represent the maximum credit exposure.

Credit risk is managed through Company risk management policies and procedures. For banks, only independently rated parties with a rating from reputed credit rating agency are accepted.

30 Financial instrument risk (continued)

Risk management objectives and policies (continued)

30.2 Credit risk analysis (continued)

The Company has following types of financial asset that are subject to the expected credit loss model:

- Trade and other receivables; and
- Cash and bank balances.

The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised as at 31 December 2022 as summarised below:

	31 December 2022 RO	31 December 2021 RO
Trade and other receivables	2,102,775	3,088,887
Cash at bank	60,012	26,673
	2,162,787	3,115,560

Credit risk on cash at bank

The credit risk in respect of balances held with bank is managed via keeping it with reputable financial institution.

The cash at bank is considered to be a low-risk item. The determination of the risk is based on the credit rating of the bank from the reputable credit rating agencies. The Company believes that the Expected Credit Loss (ECL) on cash at bank is immaterial and therefore has not been considered in the financial statements.

Expected credit loss on trade and other receivables

The Company applies the IFRS 9 simplified model of recognising lifetime expected credit losses for trade and other receivables as these items do not have a significant financing component.

In measuring the expected credit losses, the trade and other receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been recorded based on the days past due.

The expected loss rate are based on the payment profile as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forwarding looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. Trade receivables are written off when there is no reasonable expectation of recovery.

Impairment loss movement

The closing loss allowance for trade and other receivables as at 31 December 2022 reconciles with the opening loss allowance as follows:

	31 December 2022 RO	31 December 2021 RO
At 1 January	30,968	31,940
Charged/(reversed) during the year	5,000	(972)
At 31 December	35,968	30,968

30 Financial instrument risk (continued)

Risk management objectives and policies (continued)

30.2 Credit risk analysis (continued)

The ageing analysis of the Company's financial assets is summarised as below:

2022	Less than 6 months RO	6 to 12 months RO	More than 1 year RO	Total RO
Trade receivables	1,806,733	284,331	11,711	**2,102,775**
Cash at bank	60,012	-	-	**60,012**
	1,866,745	**284,331**	**11,711**	**2,162,787**

For the comparative period, the carrying amounts are presented as follows:

2021	Less than 6 months RO	6 to 12 months RO	More than 1 year RO	Total RO
Trade receivables	3,015,924	51,582	21,381	3,088,887
Cash at bank	26,673	-	-	26,673
	3,042,597	51,582	21,381	3,115,560

30.3 Liquidity risk analysis

Liquidity risk also referred to as funding risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company's maximum exposure to liquidity risks is limited to the carrying amount of financial liabilities recognised at the reporting date, as summarised below:

	31 December 2022 RO	31 December 2021 RO
Long-term loans	**2,410,000**	2,660,000
Short-term loans	**2,815,407**	1,946,540
Trade and other payables	**3,676,320**	4,797,343
Lease liability	**63,584**	175,014
	8,965,311	9,578,897

As at 31 December 2022, the Company's liabilities have contractual maturities as summarised below:

	Less than 6 months RO	6 to 12 months RO	More than 1 year RO	Total RO
Long-term loans	400,000	360,000	1,650,000	**2,410,000**
Short-term loans	2,815,407	-	-	**2,815,407**
Trade and other payables	3,676,320	-	-	**3,676,320**
Leases	63,584	-	-	**63,584**
	6,955,311	**360,000**	**1,650,000**	**8,965,311**

The figures for the comparative year are as follows:

	Less than 6 months RO	6 to 12 months RO	More than 1 year RO	Total RO
Long-term loans	457,500	355,000	1,847,500	2,660,000
Short-term loans	1,946,540	-	-	1,946,540
Trade and other payables	4,797,343	-	-	4,797,343
Leases	111,431	-	63,583	175,014
	7,312,814	355,000	1,911,083	9,578,897

Liquidity requirements are monitored on a regular basis and management ensures that sufficient funds are available to meet any future commitments.

31 Capital management policies and procedures

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern; and
- to provide an adequate return to the Shareholders by pricing services commensurately with the level of risk.

The Company manages its capital structure and makes adjustments to it in light of changes in business conditions.

The gearing ratio at 31 December 2022 and 2021 were as follows:

	31 December 2022 RO	31 December 2021 RO
Total debt	**5,225,407**	4,606,540
Less: Cash and bank balances	**(62,444)**	(26,108)
Net debt	**5,162,963**	4,580,432
Total equity	**1,144,357**	2,128,974
Net debt to equity ratio	**451%**	215%

32 Comparative figures

Comparative figures for the previous year have been reclassified wherever necessary to conform with the presentation in the current year's financial statements.

33 Subsequent events

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorization of these financial statements.