

**AL ANWAR HOLDINGS SAOG
AND ITS SUBSIDIARIES**

**UNAUDITED CONSOLIDATED AND PARENT
COMPANY FINANCIAL STATEMENTS**

30 June 2009

Registered office and principal place of business:

Villa No. 897, Way No. 3013
Shatti Al Qurum, P.O. Box 468, Postal Code 131
Al Hamriya
Sultanate of Oman

Al Anwar Holdings SAOG

Unaudited Consolidated and Parent Company Financial statements

30 June 2009

<i>Contents</i>	<i>Page</i>
Directors' Report	2
Summary of un-audited Consolidated results	4
Balance sheet	5
Income Statement	6
Statement of changes in equity	7
Cash flow statement	8
Notes	9 – 32
Schedule I – Segmental information	33

Directors' Report

Dear Shareholders,

On behalf of the Board of Directors I am pleased to present the un-audited results of Al Anwar Holdings SAOG (AAH) for the three months ended at 30th June, 2009.

Al Anwar Holdings SAOG is an Omani Joint Stock Investment Holding Company registered in the Sultanate of Oman. The business activities of the company include equity participation in new and existing business ventures across various sectors.

Financial Overview of Al Anwar Group:

The unaudited consolidated financial statements presented are an outcome of the following up to 31st March, 2009:

1. The revenues generated and the costs incurred by its subsidiaries namely:
 - a. Sun Packaging Co. LLC (SPC), and
 - b. Al Anwar International Investment LLC, 100% subsidiary of AAH, primarily being used as an investment arm,
2. The Share of Profit / (Loss) achieved by Associate Companies in which AAH owns between 20% and 50% of their share capital or where AAH has significant influence on the Board of Directors of the company.
3. Dividends from investments.
4. Realized gains made from divestments.
5. Realised and un-realised gains / losses from other listed securities.

Your company achieved a consolidated net profit after tax attributable to shareholders of parent company to the tune of RO 0.737 million for three months ended 30th June, 2009 as against a net profit of RO 4.293 million for three months ended on 30th June, 2008. It is noted that 97% of the first quarter 2008 profit amounting to RO 4,194 was on account of partial divestment of Voltamp Energy on its being listed on Muscat Securities Market.

Out of above profit for first quarter of 2009, Al Anwar Holdings SAOG has realised profit of RO 0.329 million by divesting its partial stake in National Aluminium Products Co. SAOG during the period which accounts for 45% of consolidated net profit for the period. Further, a profit of RO 0.330 million was recorded for fair value changes in investments, which also accounts for 45% of consolidated net profit for the period. Investors are cautioned that such profits may not follow a fixed pattern.

The Earning per share (EPS) was 28 Baisa (annualised) as on 30th June, 2009 as against 156 Baisa (annualised) as on 30th June, 2008 registering a decrease of 83% on the Share Capital of RO 11.000 million.

Net asset per share of the group was 155 Baisa per share as on 30th June, 2009 as against 186 Baisa per share as on 30th June, 2008 recording a decrease of 17% on the increased capital base.

Updates on Investments

- (i) Sun Packaging Co. LLC: The Company has successfully implemented its backward integration project by installing blown film line to cater to its raw material need. Further a constant monitoring of its market and maintaining good relationship with its existing customers, the company was able to increase its turnover by 15% and the net profit by 83%. The company is expected to perform well during the current year and to wipe out losses it incurred during last year due to abnormal fluctuations in the raw material prices.
- (ii) National Aluminium Products Co. SAOG: AAH have sold 5% stake in the company during the first quarter of the year and the current shareholding is 15%. However, AAH is represented by 2 Directors out of 7 Board members on the Board of NAPCO and therefore the investment is still treated as associates. The Company also suffered losses during first quarter of 2009 due to hedging positions in Aluminium, as a result of which the company reported a reduction of 57% in net profit during first quarter 2009 as against first quarter of 2008. The Board of Directors of the company has taken decision to cut off all the hedging positions from 1st of April 2009. The markets have started showing signs of recovery and the company has been able to ensure honouring of substantial customers' commitments and therefore it is expected to recover the hedging losses during the ensuing period. We expect the Company's results to improve.
- (iii) Al Maha Ceramics Co. SAOC: The Company has resolved the natural gas availability issue with PEIE and have started production from both lines during second quarter. However, during first quarter the Company continued operating with one line only. The company is now headed by a CEO who joined the company in the first quarter.
- (iv) Taageer Finance Co. SAOG: AAH holds more than 18% stake in the company as on the reporting date. However, the status of the investment changed to that of an Associate as per the IFRS due to the Board representation increasing to 2 directors in a Board of 8 members during the first quarter.
- (v) Almondz Global Securities Ltd, India, a financial services company listed on Bombay Stock Exchange and National Stock Exchange: The cost of this investment was RO 2.732 million. This is depressed due to steep fall in Indian Stock Markets. The carrying value of the investment, in accordance with IFRS and IAS guidelines, was RO 0.409 million at the beginning of the year. By following the guidance the investment was marked to market at RO 0.735 million as on 30.06.09. The resultant unrealised gain is included in the profits referred above.

- (vi) Addax Securities Saudi Arabia: The Company is under incorporation. AAH has received a proposal to swap the stake held in Addax Securities (under formation) with that of Addax Bank Bahrain. The offer was evaluated and on finding it beneficial for AAH, it was approved by the Board. Necessary formalities in this regard are being carried out.
- (vii) AAH is maintaining a small trading portfolio and cautiously watching the market movements. The company is fully geared to seize any opportunity provided by the market in trading portfolio.
- (viii) The company is holding the land at cost in its books and is exploring all possible options in respect of this land. This investment in property represents 5,000 sq. mt. of land situated at Airport Heights with a permission of development of G + 6 Floor residential and commercial building(s).

Market Outlook:

The policies adopted by the company in respect of diversification of risks, geographical dispersion and business model of private equity helped the company to weather-out the current global crisis in the financial markets and recessionary economic conditions. As regards new investments, the company is adopting a more stringent investment criteria and current approach is neither aggressive nor defensive but 'opportunistic'.

Long term outlook on Investments made in the Insurance sector, Ceramic Tiles and Financial Sector in India and Bahrain (after swap) are buoyant and these investments are expected to add to the income and diversify its income streams in future. These investments are also expected to enhance the market value of the investment portfolio.

Thanks and Appreciation:

I would like to express our extreme thanks and appreciation to His Majesty Sultan Qaboos Bin Said and His Government for incentives and support for all round sustainable development in the Sultanate. I would also like to thank the Capital Market Authority and the Muscat Securities Market for their guidance and support. I also thank the Bankers of our companies for their continued support to the Company and its Group.

I would also like to express my sincere appreciation to the Board of Directors of all Al Anwar Group investee companies for direction given to the managements of these companies. I place on record my sincere thanks and appreciation for the dedicated efforts of the management team and all employees of the holding company and the group companies.

I would also like to convey my sincere thanks to the shareholders of the company for the confidence they have reposed in the company and in its Board.

**For & on behalf of the Board of Directors of
Al Anwar Holdings SAOG**

**Masoud Humaid Al Harthy
Chairman**

Date: --/08/2009

Al Anwar Holdings SAOG
Summary of unaudited Consolidated Results (for three months)
Ended as on 30th June

	30 Jun '09	30 Jun '08	%age Chang e
	RO '000	RO '000	
Total Assets	29,779	35,200	-15%
Net Assets attributable to the parent Company	17,054	18,563	-8%
Gross Operating profit from Subsidiaries	462	1,390	-67%
Add : Investment & other Incomes (note 2)	904	4,224	-79%
	-----	-----	
Gross Profit	1,365	5,614	-76%
	=====	=====	
Net Profit	775	4,578	-83%
Net Profit attributable to ordinary shareholders.	737	4,293	-83%
Earnings Per Share (in Baiza) Annualized	28	156	-83%
Net Assets per Share (in Baiza)	155	186	-17%
Gross Operating Profit Margin	17.98%	25.17%	-29%
Current Ratio	1.14	1.78	-33%
Share Capital RO '000	11,000	10,000	10%

Notes:

1. Share Capital was increased from RO 10 Million to RO 11 Million through Stock dividend.
2. Investment & other income includes profit on sale of investment, Dividend income, share of profits from associate companies, fair value change in investment, unrealised gains / (loss) and other income.

 Chairman

 Director

 Chief Executive Officer

Al Anwar Holdings SAOG
Unaudited Consolidated and Parent Company Balance sheet
as at 30 June

	Note					RO '000	
		2009 Group	2008 Group	2009 Parent Company	2008 Parent Company	Group	Parent Company
Assets:							
Property, plant and equipment	3	3,780	3,154	16	19	20%	-16%
Intangible assets	4	63	63	-	-	0%	-
Investments	5	17,623	19,171	16,306	16,730	-8%	-3%
Total non – current assets		21,466	22,388	16,322	16,749	-4%	-3%
Investments	5	73	713	73	713	-90%	-90%
Investment property	6	3,149	3,148	3,149	3,148	0%	0%
Inventories	7	1,816	2,793	-	-	-35%	-
Trade and other receivables	8	3,210	3,020	281	97	6%	190%
Cash and Bank balances	9	65	3,138	17	3,127	-98%	-99%
Total current assets		8,313	12,812	3,520	7,085	-35%	-50%
Total assets		29,779	35,200	19,842	23,834	-15%	-17%
Equity							
Share capital	10 (a)	11,000	10,000	11,000	10,000	10%	10%
Legal reserve	10 (b)	1,257	1,113	1,201	1,057	13%	14%
Retained earnings		4,797	7,382	1,332	3,622	-35%	-63%
Fair value reserve	10 (c)	-	68	-	-	-100%	-
Equity attributable to shareholders of Parent Company		17,054	18,563	13,533	14,679	-8%	-8%
Minority interest	11	618	699	-	-	-12%	-
		17,672	19,262	13,533	14,679	-8%	-8%
Liabilities:							
Term loans	12	4,678	8,620	4,100	7,988	-46%	-49%
Deferred tax liability	20	32	57	-	-	-44%	-
Employees' end of service benefits	22	83	60	9	6	38%	50%
Total non – current liabilities		4,793	8,737	4,109	7,994	-45%	-49%
Bank borrowings	14	4,032	3,397	260	-	19%	100%
Term loans	12	772	558	567	275	38%	106%
Accounts and other payables	13	2,510	3,246	1,373	886	-23%	55%
Total current liabilities		7,314	7,201	2,200	1,161	2%	89%
Total liabilities		12,107	15,938	6,309	9,155	-24%	-31%
Total equity and liabilities		29,779	35,200	19,842	23,834	-15%	-17%
Net assets per share attributable to shareholders of the Parent Company (in Baisas)							
	15	155	186	123	147	-17%	-16%

The notes on pages 10 to 33 form an integral part of these financial statements.

These financial statements were approved and authorised for issue by the Board of Directors on -- August, 2009 and were signed on their behalf by:

.....
Chairman

.....
Director

.....
Chief Executive Officer

Al Anwar Holdings SAOG

Unaudited Consolidated and Parent Company income statement

For the period ended 30 June

	Note	Group 2009 RO'000	Group 2008 RO'000	Parent Company 2009 RO'000	Parent Company 2008 RO'000	%age Change Group	Parent Company
Operating income	2 (p)	2,568	5,523	-	-	-54%	-
Dividend income	2 (c)	1	-	1	73	100%	-99%
Other income	18	24	288	19	270	-92%	-93%
		2,593	5,811	20	343	-55%	-94%
Operating expenses		(2,505)	(4,851)	(144)	(182)	-48%	-21%
Gross operating profit		88	960	(124)	161	-91%	-177%
Finance charges		(187)	(231)	(86)	(117)	-19%	-26%
Share of profits of associates	5	220	196	-	-	12%	-
Gain on disposal of investments	19	329	2,283	290	2,949	-86%	-90%
Unrealised gain /(loss) on re-measurement at fair value		330	1,457	330	(492)	-77%	-167%
Profit before tax		780	4,665	410	2,501	-83%	-84%
Taxation	20	(5)	(87)	-	-	-94%	-
Net profit		775	4,578	410	2,501	-83%	-84%
Less: Minority interest	11	(38)	(285)	-	-	-87%	-
Net profit attributable to shareholders of Parent Company		737	4,293	410	2,501	-83%	-84%
Basic earnings per share attributable to shareholders of Parent Company (in Bz)	16	7	39	4	23	-83%	-84%

The notes on pages 10 to 33 form an integral part of these financial statements.

Director

Director

Director

Al Anwar Holdings SAOG

Unaudited Consolidated and Parent Company statement of changes in equity

For the year ended 30 June, 2009

	(RO '000)						
Group	Share capital	Legal reserve	Retained earnings	Fair value Reserve	Total	Minority Interest	Total Equity
1-Apr-2008	8,855	1,526	4,942	68	15,391	2,548	17,939
Stock dividend	1,145	-	(1,145)	-	-	-	-
Decrease due to disposal of subsidiary	-	(413)	-	-	(413)	(2,133)	(2,546)
Net profit	-	-	4,293	-	4,293	284	4,577
Legal reserve	-	-	-	-	-	-	-
Dividend paid	-	-	(708)	-	(708)	-	(708)
At 30 June 2008	10,000	1,113	7,382	68	18,563	699	19,262
1-Apr-2009	10,000	1,257	5,560	-	16,817	580	17,397
Stock dividend	1,000	-	(1,000)	-	-	-	-
Net profit	-	-	737	-	737	38	775
Legal reserve	-	-	-	-	-	-	-
Dividend paid	-	-	(500)	-	(500)	-	(500)
At 30 June 2009	11,000	1,257	4,797	-	17,054	618	17,672
Parent Company	Share capital	Legal reserve	Retained earnings	Total			
	RO'000	RO'000	RO'000	RO'000			
1-Apr-2008	8,855	1,057	2,974	12,886			
Stock dividend	1,145	-	(1,145)	-			
Net profit	-	-	2,501	2,501			
Legal reserve	-	-	-	-			
Dividend paid	-	-	(708)	(708)			
At 30 June 2008	10,000	1,057	3,622	14,679			
1-Apr-2009	10,000	1,201	2,422	13,623			
Stock dividend	1,000	-	(1,000)	-			
Net profit	-	-	410	410			
Legal reserve	-	-	-	-			
Dividend paid	-	-	(500)	(500)			
30-Jun-2009	11,000	1,201	1,332	13,533			

The notes on pages 10 to 33 form an integral part of these financial statements.

Al Anwar Holdings SAOG and Its Subsidiaries

Unaudited Consolidated and Parent Company cash flow statement

For the year ended 30 June

	2009 Group RO'000	2008 Group RO'000	2009 Parent Company RO'000	2008 Parent Company RO'000
Cash flows from operating activities				
Dividend income and cash receipts from sales	838	3,161	684	439
Cash paid towards operating and other expenses	144	(1,521)	(249)	(171)
Cash generated from operations	982	1,640	435	268
Finance charges (net)	14	(231)	(86)	(117)
Taxation	-	(332)	-	-
Net cash generated from (used in) operating activities	996	1,077	349	151
Cash flows from investing activities				
Purchase of plant and equipment	(87)	(95)	(5)	(3)
Proceeds from disposal of a subsidiary	-	3,101	-	3,101
Proceeds from disposal of other investments	719	-	719	-
Purchase of investments	(59)	(2,710)	(59)	(2,710)
Net cash from (used in) investing activities	573	296	655	388
Cash flows from financing activities				
Dividend to minority shareholders	(500)	115	(500)	-
Received from related party	-	-	200	-
Proceeds from term loans	-	3,410	-	3,410
Repayment of term loans	(833)	(889)	(800)	(820)
Short term bank borrowings-net	(477)	(994)	94	(108)
Net cash generated from (used in) financing activities	(1,810)	1,642	(1,006)	2,482
(Decrease) / increase in cash and cash equivalents during the year	(241)	3,014	(2)	3,021
Cash and cash equivalents at the beginning of the year	306	142	19	106
Effect of (disposal) acquisition of a subsidiary	-	(18)	-	-
Cash and cash equivalents at the end of the year	65	3,138	17	3,127

The notes on pages 10 to 33 form an integral part of these financial statements.

Al Anwar Holdings SAOG

Notes

(forming part of the consolidated financial statements)

1 Legal status and principal activities

Al Anwar Holdings SAOG (the “Parent Company”) is an Omani joint stock company incorporated on 20 December 1994 and registered in the Sultanate of Oman. The business activities of Parent Company and its subsidiary companies (together referred to as the “Group” and defined in note 5) include promotion of and participation in a variety of ventures in the financial services and industrial sector in the Sultanate of Oman.

2 Significant accounting policies

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards and interpretation issued by the relevant body of the International Accounting Standards Board, the requirements of the Commercial Companies Law of the Sultanate of Oman, 1974 (as amended) and the rules for disclosure requirements prescribed by the Capital Market Authority.

The following accounting policies have been consistently applied in dealing with items considered material to the Group’s and Parent Company’s financial statements.

a) Basis of accounting

The financial statements have been prepared under the historical cost convention, except that investments at fair value through profit or loss, investments available for sale and investment property are stated at their fair values and the held-to-maturity investments and Government soft loans which are stated at amortised cost.

b) Basis of consolidation

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that currently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

The consolidated balance sheet incorporates the assets and liabilities of the Parent and its subsidiaries. All significant inter-company balances, transactions, income and expenses have been eliminated on consolidation. For the purpose of consolidation, financial position and results of operations of the subsidiaries are consistently considered on the basis of their unaudited financial statements for the period ended on the 31st March, 2009. Adjustments are made for significant transactions which took place between the reporting date of subsidiaries and the Parent Company.

Al Anwar Holdings SAOG

Notes

(forming part of the consolidated financial statements)

2 Significant accounting policies *(continued)*

c) Investments

Subsidiary

In the Parent Company's separate financial statements, the investments in subsidiaries are carried at cost. The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group.

Associate

An entity over which the Group exercises significant influence but not control is classified as an associate.

The consolidated financial statements include the Group's share of the total recognised gains and losses of associates on an equity accounted basis. For the purpose of which financial position and results of operations of the associates are consistently considered on the basis of their unaudited financial statements for the period ended on the 31st March, 2009. Adjustments are made for significant transactions which took place between the reporting date of associates and the Parent Company.

The investments in associates are carried at cost in the Parent Company's separate financial statements.

Investments held to maturity

Investments which are held with a positive intent and ability to hold until maturity are classified as held to maturity. They are initially recognised at cost and subsequently re-measured at amortised cost.

Investments at fair value through profit or loss

These are the investments which management, if considers eligible, designates as fair value through profit and loss upon their initial recognition.

Trading assets

Trading assets are those assets and liabilities that the Group acquire or incur principally for the purpose of selling or repurchasing in the near term, or holds as part of a portfolio that is managed together for short term profit or position taking.

Trading assets are initially recognized including transaction cost and subsequently measured at fair value in the balance sheet. All changes in fair value are recognized as part of net trading income in profit or loss. Trading assets are not reclassified subsequent to their initial recognition.

Investments available for sale

Other investments are classified as available for sale. They are re-measured at fair value after initial recognition. Gains and losses on re-measurement are reported in the statement of changes in equity.

Fair value measurement

For investments actively traded in organized financial markets, fair value is generally determined by reference to stock exchange quoted market bid prices at the close of business on the balance sheet date. Unquoted investments are valued at fair value when they can be reliably measured; otherwise they are stated at cost.

Al Anwar Holdings SAOG

Notes

(forming part of the consolidated financial statements)

2 Significant accounting policies (continued)

c) Investments (continued)

Fair value measurement (continued)

As required by improving disclosures in IFRS 7, investments at Fair Value are classified under level 1, 2 & 3 from valuation point of view. Accordingly all quoted Investments at fair value are classified under level 1 and unquoted investments at fair value are classified under level 3.

Dividend income

Dividend income from investments is accounted when the right to receive payment is established. Interest income on investments available for sale is recognised when the entitlement arises.

Gain on disposal of investments

Gain on disposal of investments is determined by the difference between sales proceeds and cost or carrying value and is credited to the statement of income.

d) Intangible assets

Goodwill

Goodwill arising on acquisition of subsidiaries and associates is initially recognised at cost, being the excess of cost of business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Goodwill is subsequently measured at cost less accumulated impairment losses. Negative goodwill is recognised immediately in the statement of income. Impairment losses, if any, in respect of goodwill arising on consolidation of subsidiaries and investment in associates are assessed on an annual basis.

In respect of associates, the carrying amount of goodwill is included in the carrying amount of the investment.

e) Leases

Operating lease payments are recognised in the statement of income on a straight line basis.

f) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Subsequent expenditure is capitalized only when it is probable that it will result in increased future economic benefits. All other expenditure is recognised in the statement of income as an expense as incurred.

Depreciation is charged to the statement of income on a straight-line basis over the estimated useful economic lives of items of property, plant and equipment. The estimated useful lives are as follows:

	Years
Buildings on leasehold land	20
Plant, machinery and equipment	5-15
Motor vehicles	4-5
Furniture and fixtures	3-7

Capital work in progress is not depreciated.

Al Anwar Holdings SAOG

Notes

(forming part of the consolidated financial statements)

2 Significant accounting policies (continued)

g) Investment properties

Investment properties are initially measured at cost including transaction costs. Subsequent to initial recognition investment properties are stated at fair value. Gains or losses arising from changes in the fair values of investment are included in the income statement in the year in which they arise.

Investment properties are derecognised when they have either been disposed off or when the investment properties are permanently withdrawn from use and no future benefit is expected from its disposal. Any gains or losses on de-recognition of investment properties are recognised in the income statement in the year of de-recognition.

h) Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. Cost of raw materials is based on the weighted average cost method and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Work in progress and finished goods includes material costs and, where applicable, an appropriate share of overheads based on normal operating capacity.

i) Accounts and other receivables

Accounts receivable originated by the Group, are measured at cost. Bad debts are written off or provided for as they arise and provision is made for doubtful receivables.

j) Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents consists of cash and bank balances with maturity of three months from the balance sheet date.

k) Impairment

Financial assets

At each balance sheet date, the Group's management assesses if there is any objective evidence indicating impairment of the carrying value of financial assets or non-collectability of receivables.

Impairment losses are determined as differences between the carrying amounts and the recoverable amounts and are recognised in the statement of income. Any reversal of impairment losses are recognised as income in the statement of income. The recoverable amounts represent the present value of expected future cash flows discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted.

Non financial assets

Other than the goodwill arising on consolidation of subsidiaries and investment in associates [refer note (d) above] at each balance sheet date, the Group assesses if there is any indication of impairment of non-financial assets. If an indication exists, the Group's management estimates the recoverable amount of the asset and recognises an impairment loss in the statement of income. Other than for goodwill, the Group's management also assesses if there is any indication that an impairment loss recognised in prior years no longer exists or has reduced. The resultant impairment loss or reversals are recognised immediately in the statement of income.

The recoverable amount adopted is the higher of net realisable value or market value and its value in use.

Al Anwar Holdings SAOG

Notes

(forming part of the consolidated financial statements)

2 Significant accounting policies (continued)

l) Employees' end of service benefits

Payment is made to Omani Government's Social Security Scheme in accordance with the Royal Decree Number 72/91 (as amended) for Omani employees. Provision is made for amounts payable under the Sultanate of Oman's labour law in accordance with Royal Decree number 35/2003 (as amended) applicable to expatriate employees' accumulated periods of service at the balance sheet date.

m) Provisions

A provision is recognized in the balance sheet when the Group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

n) Accounts payable and accruals

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

o) Government term loans and deferred income

Carrying values

The carrying values of the interest free and low interest Government term loans are determined as the present values of the loans adopting the interest rates that reflect the current cost of similar borrowing on similar loan terms from a commercial bank.

Finance charge

The effective interest charge arises as a result of accounting for the fair values of the government related term loans and therefore represents the actual interest incurred for the year plus an amount arising from movements in the carrying values of the loans in the year.

Deferred income

The amount of deferred income relating to the government term loans is released to the income statement in such a way as to spread the income over the effective interest charge to which it relates.

p) Operating income

Operating income represents the invoice value of goods sold during the year, net of discounts and returns, and is recognised in the statement of income, when the significant risks and rewards of ownership have been transferred to the buyer.

q) Finance charges

Finance charges comprise interest payable on term loans and bank borrowings, interest subsidy, and are net of interest receivable on bank deposits. Finance charges are recognised as an expense in the statement of income in the period in which they are incurred.

Al Anwar Holdings SAOG

Notes

(forming part of the consolidated financial statements)

2 Significant accounting policies *(continued)*

r) Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Current tax is provided in accordance with the Sultanate of Oman's fiscal regulations. Deferred taxation is provided using the liability method on all temporary differences at the reporting date. It is calculated at the tax rates that are expected to apply to the period when it is anticipated the liabilities will be settled, and it is based on the rates (and laws) that have been enacted at the balance sheet date.

Deferred tax assets are recognised in relation to carry forward losses and unused tax credits to the extent that it is probable that future taxable profits will be achieved.

s) Foreign currencies

Foreign currency transactions are translated into Omani Rials at the exchange rate prevailing on the transaction date. Foreign currency monetary assets and liabilities at the balance sheet date are translated at the rates of exchange prevailing at that date. Exchange differences that arise are recognised in the statement of income.

t) Segment reporting

A segment is a distinguishable component of the Group engaged in providing products or services (business segment) or in providing products or services within a particular economic environment (geographical segment) which is subject to risks and rewards that are different from those of other segments.

v) Dividend

The Board of Directors recommend to the shareholders the dividend to be paid out of Parent Company's profits. The Board of Directors takes into account appropriate parameters including the requirements of the Commercial Companies Law while recommending the dividend.

Dividend distribution to the Parent Company's shareholders is recognized as a liability in the Group's and Parent Company's financial statements in the period in which the dividend is declared.

w) Directors' remuneration and meeting attendance fees

The Company follows the Commercial Companies Law 1974 (as amended), and other latest relevant directives issued by CMA, in regard to determination of the amount to be paid as Directors remuneration and sitting fee are charged to the statement of income in the year to which they relate.

x) Estimates and judgements

In preparing the consolidated financial statements, the Board of Directors is required to make estimates and assumptions which affect reported income and expenses, assets, liabilities and related disclosures. The use of available information and application of judgement based on historical experience and other factors are inherent in the formation of estimates. Actual results in the future could differ from such estimates. The Board of Directors test annually whether goodwill, investments in subsidiaries, associates and other financial assets have suffered any impairment which requires the use of estimates.

Al Anwar Holdings SAOG

Notes

(Forming part of the consolidated financial statements)

3 Property plant and equipment

Group	Buildings on leasehold land RO'000	Plant, machinery and equipment RO'000	Motor vehicles RO'000	Furniture and fixtures RO'000	Capital work in progress RO'000	Total RO'000
Cost						
1-Apr-2009	1,015	4,234	125	196	508	6,078
Additions during the year	13	49	16	9	1	88
	-----	-----	-----	-----	-----	-----
30-Jun-2009	1,028	4,283	141	205	509	6,166
	-----	-----	-----	-----	-----	-----
Depreciation						
1-Apr-2009	179	1,816	85	165	-	2,245
Charge for the year	12	117	6	6	-	141
	-----	-----	-----	-----	-----	-----
30-Jun-2009	191	1,933	91	171	-	2,386
	-----	-----	-----	-----	-----	-----
Net book value						
At 30 June 2009	837	2,350	50	34	509	3,780
	=====	=====	=====	=====	=====	=====
31-Mar-2009	836	2,418	40	31	508	3,833
	=====	=====	=====	=====	=====	=====
Parent Company	Motor vehicles RO'000	Furniture and fixtures RO'000	Total RO'000			
Cost						
1-Apr-2009	29	71	100			
Additions during the year	-	5	5			
	-----	-----	-----			
30-Jun-2009	29	76	105			
	-----	-----	-----			
Depreciation						
1-Apr-2009	19	67	86			
Charge for the year	2	1	3			
	-----	-----	-----			
30-Jun-2009	21	68	89			
	-----	-----	-----			
Net book values						
At 30 June 2009	8	8	16			
	=====	=====	=====			
At 31 March 2009	10	4	14			
	=====	=====	=====			

Certain of the property, plant and equipment relating to the subsidiaries are mortgaged as security for the term loans. (note 12)

Al Anwar Holdings SAOG

Notes

(forming part of the consolidated financial statements)

4 Intangible assets

It represents goodwill arising on acquisition of subsidiary, Sun Packaging Company LLC.

5 Investments

Investments in subsidiaries, associates and investments at fair value through profit or loss represent companies registered in the Sultanate of Oman, Kuwait, Saudi Arabia and India as follows:

	Ownership interest		Status
	2009	2008	
	%	%	
<i>Subsidiaries</i>			
Al Anwar International Investment LLC	100.00	100.00	Unquoted
Sun Packaging Company LLC (“SPC”)	62.50	62.50	Unquoted
Al Anwar Securities SAOC (“AAS”)	100.00	100.00	Unquoted
<i>Associates</i>			
National Aluminium Products Company SAOG (“NAPCO”)	15.00	20.00	Quoted
Voltamp Energy SAOG and its Subsidiary (“VE”)	28.71	28.71	Quoted
Falcon Insurance Company SAOC (“FIC”)	40.56	40.56	Unquoted
Al Maha Ceramics Company SAOC (“AMCC”)	32.00	32.00	Unquoted
Addax Securities, Saudi Arabia (“Addax”)	25.00	25.00	Unquoted
Al Anwar Blank Company SAOC (“AABCO”)	40.00	40.00	Unquoted
Taageer Finance Company SAOG (“Taageer”)	18.29	-	
<i>Investments at fair value through profit or loss</i>			
Computer Stationery Industry SAOG (“CSI”)	0.11	0.11	Quoted
Taageer Finance Company SAOG (“Taageer”)	-	16.86	Quoted
Al Ritaj Investment Company, Kuwait (“Ritaj”)	0.40	0.40	Unquoted
Almondz Global Securities Ltd, India (“AGSL”)	12.21	14.99	Quoted

The Group’s quoted investments are listed on the stock exchanges of Oman and India.

Al Anwar Holdings SAOG

Notes

(forming part of the consolidated financial statements)

5 Investments (continued)

Schedule of investments in the above concerns is as follows:

Group	2009			2008		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
Non-current assets						
Associates	10,335	5,606	15,941	5,517	5,900	11,417
Held to maturity	-	-	-	-	-	-
Investments at fair value	1,543	139	1,682	6,615	1,139	7,754
	-----	-----	-----	-----	-----	-----
Carrying values	11,878	5,745	17,623	12,132	7,039	19,171
	-----	-----	-----	-----	-----	-----
Current assets						
Associates	-	-	-	-	-	-
Held to maturity	-	-	-	-	-	-
Investment Held for Trading	73	-	73	713	-	713
	-----	-----	-----	-----	-----	-----
Carrying values	73	-	73	713	-	713
	-----	-----	-----	-----	-----	-----
Total carrying values	11,951	5,745	17,696	12,845	7,039	19,884
	=====	=====	=====	=====	=====	=====
Parent Company						
	Quoted	Unquoted	2,009	Quoted	Unquoted	2,008
	RO'000	RO'000	Total	RO'000	RO'000	Total
			RO'000			RO'000
Non-current assets						
Subsidiaries	-	2,041	2,041	-	1,041	1,041
Associates	7,157	5,609	12,766	2,230	5,709	7,939
Investments at fair value	1,360	139	1,499	6,611	1,139	7,750
	-----	-----	-----	-----	-----	-----
Carrying values	8,517	7,789	16,306	8,841	7,889	16,730
	-----	-----	-----	-----	-----	-----
Current assets						
Associates	-	-	-	-	-	-
Held to maturity	-	-	-	-	-	-
Investment Held for Trading	73	-	73	713	-	713
	-----	-----	-----	-----	-----	-----
Carrying values	73	-	73	713	-	713
	-----	-----	-----	-----	-----	-----
Total carrying values	8,590	7,789	16,379	9,554	7,889	17,443
	=====	=====	=====	=====	=====	=====

During the current reporting period there were no movements in the investments classified under level 3 (unquoted investments at fair value).

Al Anwar Holdings SAOG

Notes

(forming part of the consolidated financial statements)

5 Investments (continued)

Investments having a total carrying value of RO 2.9 million (2008 - RO 2.9 million) are registered in the name of Al-Anwar International Investment LLC for and on behalf of the Parent Company.

Share of profits (loss) in associates for the Group is as follows:

	2009	2008
	RO '000	RO '000
Voltamp Energy SAOG	138	-
National Aluminium Product Co. SAOG	35	81
Al Maha Ceramics SAOC	(29)	-
Al Anwar Blank Co. SAOC	(20)	(7)
Falcon Insurance Co. SAOC	4	122
Taageer Finance Co. SAOG	93	-
Share of Profits / (Losses)	220	196

Sector-wise analysis of the Parent Company's investment in quoted securities is as under:

	2009	2008
Quoted investments	%age	%age
Banking	1%	1%
Leasing	69%	59%
Financial Services	8%	10%
Industrial	21%	23%
Others	1%	7%
Total	100%	100%

Parent Company's investment in quoted securities having the market value of 10% or more of the Parent Company's total investments in quotes securities is as follows:

	Percentage of the overall portfolio	Number of securities	Market value RO'000	Carrying value RO '000
2009				
Voltamp Energy SAOG	50%	14,355,000	6,832	474
Taageer Finance	31%	15,555,918	4,138	5,366
NAPCO	14%	5,068,508	1,830	1,317
	=====	=====	=====	=====
	Percentage of the overall portfolio	Number of securities	Market value RO'000	Carrying value RO '000
2008				
Voltamp Energy SAOG	58%	14,355,000	12,805	474
Taageer Finance	23%	13,276,055	5,045	5,045
NAPCO	15%	6,713,170	3,357	1,756
	=====	=====	=====	=====

Al Anwar Holdings SAOG

Notes

(forming part of the consolidated financial statements)

5 Investments (continued)

On 3 July 2002, the Parent Company entered into an agreement for transferring its 60% interest in Sun Plastics Company LLC to the minority shareholder. Up to the date of approval of these financial statements, the formal transfer of shares to the minority shareholder has not taken place and the Management believes that the transfer will be completed by 31 March 2010. Pursuant to the agreement, the Parent Company no longer exercises control over Sun Plastics Company LLC and accordingly the subsidiary has been excluded from consolidation from March 2004.

6 Investment property

Investment in property represents 5,000 sq. mt. of land situated at Airport Heights with a permission of G + 6 Floor residential and commercial building(s). The land was purchased by the Parent Company intending to transfer it to the proposed real estate company towards capital contribution. Subsequently as the Board decided not to go ahead with formation of the company, the land is retained in the books of Parent company at its cost of RO 3.149 million which equals to its fair value as at the reporting date.

7 Inventories

	Group 2009 RO'000	Group 2008 RO'000	Parent Company 2009 RO'000	Parent Company 2008 RO'000
Raw materials	1,563	2,408	-	-
Work in progress	84	183	-	-
Finished goods	193	208	-	-
Less: Provision for slow moving and obsolescence	(24)	(6)	-	-
	-----	-----	-----	-----
	1,816	2,793	-	-
	=====	=====	=====	=====

Movement in the provision for slow moving and obsolescence is as follows:

	Group 2009	Group 2008	Parent Company 2009	RO '000 Parent Company 2008
1 April	24	164	-	-
Effect of (disposal) acquisition of subsidiary	-	(191)	-	-
Provided during the year	-	33	-	-
Provision write-back	-	-	-	-
	-----	-----	-----	-----
31 December	24	6	-	-
	=====	=====	=====	=====

Al Anwar Holdings SAOG

Notes

(forming part of the consolidated financial statements)

8 a Trade and other receivables

	Group 2009 RO'000	Group 2008 RO'000	Parent Company 2009 RO'000	Parent Company 2008 RO'000
Trade receivables	3,022	2,828	-	-
Impairment provisions on accounts receivable	(206)	(89)	-	-
	-----	-----	-----	-----
	2,816	2,739	-	-
Prepayments and other receivables	143	29	30	29
Amounts due from related parties [note 21]	251	252	251	68
	-----	-----	-----	-----
	3,210	3,020	281	97
	=====	=====	=====	=====

a) Movement in impairment provision is as follows:

			RO '000
1 April	203	114	-
Effect on (disposal) acquisition of subsidiary	-	(29)	-
Provided during the period	3	6	-
Write-back during the period	-	(2)	-
	-----	-----	-----
31 March	206	89	-
	=====	=====	=====

9 Cash and bank balances

	Group 2009	Group 2008	Parent Company 2009	RO '000 Parent Company 2008
Cash in hand	2	2	-	-
Cash at bank:				
– Current accounts	47	19	1	10
– Deposit accounts	16	3117	16	3,117
	-----	-----	-----	-----
	65	3,138	17	3,127
	=====	=====	=====	=====

Deposit accounts carry interest at the rate of 1.25% per annum (2008: 1.25% per annum).

Al Anwar Holdings SAOG

Notes

(forming part of the consolidated financial statements)

10 Share capital and reserves

a) Share capital

The authorised share capital of the Parent Company comprises 200,000,000 (2008 - 200,000,000) shares of 100 baisas (2008 – Bz 100) each. The issued and fully paid up share capital consists of 110,000,000 (2008 - 100,000,000) shares of 100 baisas (2008 – Bz. 100) each. Movement in number of shares during the year is as follows:

	2009 (No. of Shares)	2008 (No. of Shares)
Opening Balance	100,000,000	88,550,000
Stock dividend	10,000,000	11,450,000
Share split	-	-
Right issue	-	-
	-----	-----
Closing Balance	110,000,000	100,000,000
	=====	=====

At the balance sheet date, details of shareholders, who own 5% or more of the Parent Company's share capital, are as follows:

	2009 Number of shares held	2009 (%)	2008 Number of shares held	2008 (%)
Fincorp Investment Co. LLC	27,916,578	25.38	25,380,338	25.38
Financial Services Co. (Trust)/ Gulf	20,988,570	19.08	19,080,519	19.08
Al Khonji Invest LLC	8,000,000	7.27	7,837,380	7.84
Mohamed & Ahmed Al Khonji Co.	5,537,229	5.03	5,033,845	5.03
	=====	=====	=====	=====

b) Legal reserve

As required by the Commercial Companies Law of the Sultanate of Oman, 1974 (as amended), 10% of the net profit for the year of the individual companies (Parent and subsidiaries) are required to be transferred to the legal reserve until the amount of legal reserve equals one third of the individual companies' paid up share capital. The reserve is not available for distribution.

The balance at the end of the year represents the amounts relating to the Parent Company and its share of legal reserve of the subsidiaries since acquisition.

c) Fair value reserve

The Group has recognised its share of fair value reserve of the associates and a subsidiary.

11 Minority interest

Minority interest comprises share of results and net assets attributable to minority shareholders in the following subsidiaries:

	2009		2008	
	<i>Results</i>	<i>Net assets</i>	<i>Results</i>	<i>Net assets</i>
Voltamp Manufacturing Company LLC	-	-	276	-
Sun Packing Company LLC	38	618	9	699
Total	38	618	285	699

RO '000

Al Anwar Holdings SAOG

Notes

(Forming part of the consolidated financial statements)

12 Term loans

	Group	Group	Parent	<i>RO '000</i>
	2009	2008	Company	Parent
			2009	Company
				2008
Non Current Portion				
From commercial banks	4,100	7,960	4,100	7,988
From Government	391	551	-	-
Deferred Government Grant	187	109	-	-
	-----	-----	-----	-----
	4,678	8,620	4,100	7,988
	-----	-----	-----	-----
Current Portion				
From commercial banks	701	487	567	275
From Government	71	71	-	-
	-----	-----	-----	-----
	772	558	567	275
	-----	-----	-----	-----

Repayment schedule of the Group is as follows:

2009	Total RO'000	Within one year RO'000	1-2 years RO'000	2-7 years RO'000
Commercial banks	4,731	701	1,134	2,896
Government	719	71	150	498
	-----	-----	-----	-----
	5,450	772	1,284	3,394
	=====	=====	=====	=====
2008				
Commercial banks	8,447	487	701	7,259
Government	731	71	71	589
	-----	-----	-----	-----
	9,178	558	772	7,848
	=====	=====	=====	=====

Repayment schedule of the Parent Company is as follows:

2009	<i>RO '000</i>			
Commercial banks	4,667	567	1,101	2,999
	=====	=====	=====	=====
2008				
Commercial banks	8,263	275	567	7,421
	=====	=====	=====	=====

Al Anwar Holdings SAOG

Notes

(Forming part of the consolidated financial statements)

12 Term loans (continued)

Term loan obtained by a subsidiary company from Bank Dhofar (RO 0.133 million) is secured by a first commercial mortgage with insurance cover on specific assets acquired from the term loan, a second pari-passu charge over fixed and current assets and proportionate guarantee of the Members.

Term loans obtained by the Parent Company from Bank Muscat (RO 1.633 million), National Bank of Oman (RO 0.700 million) and Bank Dhofar (RO 2.335 million) are secured by pledge of the shares in subsidiaries, associates and other investments.

Government term loans are secured by joint insurance and a first charge on all assets of the subsidiary except specific assets mortgaged to Bank Dhofar.

The above loans carry interest rate ranging from 3% to 7.5% (2008 – 3% to 7%) per annum.

13 Accounts and other payables

	Group 2009 RO'000	Group 2008 RO'000	Parent Company 2009 RO'000	Parent Company 2008 RO'000
Trade payables	2,072	2,325	36	61
Accruals and other payables	202	213	57	5
Provision for Income Tax	236	-	236	-
Unpaid Dividend	-	708	-	708
Amounts due to related parties (note 21)	-	-	1044	112
	-----	-----	-----	-----
	2,510	3,246	1,373	886
	=====	=====	=====	=====

14 Short term bank borrowings

The Parent Company has overdraft facilities of RO 350,000 (2008 – RO 50,000) from commercial banks. Interest rate is ranging from 6.75% & 7.5% per annum (2008:7.5% per annum).

The subsidiaries have overdraft, bill discounting and loan against trust receipt facilities at the balance sheet date in the aggregate amount of approximately RO 3.771 million (2008: RO 3.369 million). Interest is charged at rates ranging from 6% to 8% (2008 - 6% to 8%) per annum. These facilities are secured by:

- a second equal ranking charge on the related subsidiary's assets,
- an assignment of certain receivables in favour of commercial banks;
- proportionate guarantees of the Shareholders; and
- hypothecation of inventories.

Al Anwar Holdings SAOG

Notes

(forming part of the consolidated financial statements)

15 Net assets per share

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

	Group 2009	Group 2008	Parent Company 2009	<i>RO '000</i> Parent Company 2008
Net assets attributable to the shareholders of the Parent Company (RO'000)	17,054	18,563	13,533	14,679
	=====	=====	=====	=====
Number of shares outstanding at 30 June ('000)	110,000	100,000	110,000	100,000
	=====	=====	=====	=====
Net assets per share (in Baisas)	155	186	123	147
	=====	=====	=====	=====

16 Basic earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to the shareholders of the Parent Company by the weighted average number of shares outstanding during the year, as follows:

Net profit for the year attributable to equity shareholders of Parent Company (RO'000)	737	4,293	410	2,501
	=====	=====	=====	=====
Weighted average number of shares outstanding ('000)	110,000	110,000	110,000	110,000
	=====	=====	=====	=====
Basic earnings per share (in Baisas)	7	39	4	23
	=====	=====	=====	=====
Basic earnings per share Annualised (in Baisas)	28	156	16	92
	=====	=====	=====	=====

17 Dividend Income

	Group 2009	Group 2008	Parent Company 2009	Parent Company 2008
	RO'000	RO'000	RO'000	RO'000
Sun Packaging LLC	-	-	-	73
Others	1	-	1	-
	-----	-----	-----	-----
	1	-	1	73
	=====	=====	=====	=====

18 Other income

	Group 2009	Group 2008	Parent Company 2009	Parent Company 2008
	RO'000	RO'000	RO'000	RO'000
Recovery from Majan Glass	-	260	-	260
Interest income	8	5	3	5
Miscellaneous income	16	23	16	5
	-----	-----	-----	-----
	24	288	19	270
	=====	=====	=====	=====

Al Anwar Holdings SAOG

Notes

(forming part of the consolidated financial statements)

19 Gain on Disposal of Investments

	RO'000			
	Group 2009	Group 2008	Parent Compan y 2009	Parent Company 2008
Sale Proceed on partial disposal of NAPCO	719	-	719	-
Sale proceeds on partial disposal of VE	-	3,101	-	3,101
Associated carrying value / cost	(400)	(856)	(439)	(190)
	319	2,245	280	2,911
Gain on disposal	10	38	10	38
Gain on trading Portfolio	329	2,283	290	2,949
Total gain on disposal of investments	329	2,283	290	2,949

20 Taxation

The Group is subject to income tax at the rate of 12% of taxable profits in excess of RO 30,000 in accordance with the income tax laws of the Sultanate of Oman.

Temporary differences arising in subsidiaries in respect of depreciation, impairment provision and slow moving inventories have given rise to a net deferred tax liability of approximately RO 31,748 (2008: RO 56,589). The Parent Company's Board of Directors have not recognised a deferred tax asset arising due to accumulated carry forward tax losses as a matter of prudence. The provision for tax in group consolidated accounts represents provision created by its subsidiary. The parent company did not make any provision for taxation as the profit is generated out of non taxable income only.

The Parent Company's assessments for the tax years 2004 to 2008 and of subsidiaries for the years ranging from 2003 to 2008 have not yet been finalised. The Board of Directors believe that additional taxes, if any, on the finalisation of assessment for the above tax years would not be material to the Group's and Parent Company's financial position at the balance sheet date.

Al Anwar Holdings SAOG

Notes

(Forming part of the consolidated financial statements)

21 Related party transactions and balances

The Group enters into transactions with entities in which certain members of the Board of Directors have interest and are able to exercise significant influence. In the ordinary course of business, such related parties provide goods, services and funding to the Group. The Group also provides management services and funding to the related parties. These transactions are entered into on terms and conditions, approved by the Board of Directors.

a) During the year, related party transactions were as follows:

		(RO '000)
	2009	2008
<u>a. Income</u>		
Management & sitting fees	4	6
<u>b. Expenses</u>		
	Nature of Expenses	
Premier Logistics	Services	8 6
Al Jizzi & Co. / Bausher Chemicals	Materials purchased	0 2
Falacon Insurance Co. SAOC	Insurance Services	8 12
Mustafa Sultan Science	Materials purchased	0 0
Total	16	20
<u>c. Loans , Advance , Receivables , Payable ,</u>		
<u>GROUP</u>		
<u>Receivable from related</u>	Nature of dues	
ABI Precision Casting	Mgt fee & Expenses	4 4
Al Anwar real estate	Expenses	97 5
Al Maha Ceramics	Project Expenses	150 60
Al Anwar International Investments	Purchase of Bonds	0 183
Total receivable from related party		251 252
<u>PARENT COMPANY</u>		
<u>Receivable from related</u>	Nature of dues	
ABI Precision Casting	Mgt fee & Expenses	4 4
Al Anwar real estate	Expenses	97 5
Al Maha Ceramics	Project Expenses	150 59
Total receivable from related party		251 68
<u>Payable to related party</u>		
Al Anwar Intl Investments*	Purchase of Shares	111 112
Al Anwar Securities SAOC*	Advances	933 0
Total Payable to related parties		1,044 112

* Amount due to/from is knocked-off on group consolidation

The amounts due to and due from related parties are interest free, unsecured and are payable on demands.

Al Anwar Holdings SAOG

Notes

(forming part of the consolidated financial statements)

22 Employee related expenses

Total employee related expenses included in operating expenses comprise:

	Group	Group	Parent	RO'000
	2009	2008	Company	Parent
			2009	Company
				2008
Salaries and wages	165	141	41	45
Other benefits	96	106	70	85
Contributions to defined contribution retirement plans for Omani employees	4	4	1	1
Cost of end of service benefits for expatriate employees	5	5	1	3
	-----	-----	-----	-----
	270	256	113	134
	=====	=====	=====	=====

Movement in expatriate's end of service benefits liability recognised in the balance sheet are as follows:

	Group	Group	Parent	<i>RO '000</i>
	2009	2008	Company	Parent
			2009	Company
				2008
Opening balance	78	135	8	3
Effect of (disposal) acquisition of subsidiaries	-	(78)	-	-
Expenses recognised in the income statement	5	5	1	3
Paid during the year	-	(2)	-	-
	-----	-----	-----	-----
Closing balance	83	60	9	6
	=====	=====	=====	=====

The compensation to key management personnel for the year comprises:

	Group	Group	Parent	Parent
	2009	2008	Company	Company
	RO'000	RO'000	RO'000	RO'000
Short term employment benefits	81	107	31	26
End of service benefits	5	5	1	3
Directors' remuneration and sitting fees	7	9	4	6
	=====	=====	=====	=====

23 Contingencies

				<i>RO '000</i>
Guarantees:				
- Subsidiaries	3,524	4,932	3,524	2,914
- Associates	2,640	2,064	2,640	2,064
- Others	5	5	5	5
	-----	-----	-----	-----
	6,169	7,001	6,169	4,983
Letters of credit by subsidiary companies	184	205	-	-
	-----	-----	-----	-----
	6,353	7,206	6,169	4,983
	=====	=====	=====	=====

Al Anwar Holdings SAOG

Notes

(forming part of the consolidated financial statements)

24 Commitments

Operating lease commitments:

Group	2009 RO'000	2008 RO'000
Less than one year	5	5
Between one to five years	35	19
More than 5 years	92	78
	-----	-----
	132	102
	=====	=====

25 Financial risk management

Overview

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

- Credit risk
- Liquidity risk
- Market risk.

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

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

Credit risk

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

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Group does not require collateral in respect of financial assets. The Group seeks to control credit risk by monitoring credit exposures and continually assessing the creditworthiness of counter parties. Risk is considered minimal by the Group, as the payments are made by the customer as per contractual obligations. Credit risk on debtors is limited to their carrying values as the management regularly reviews these balances to assess recoverability and create provision for balances whose recoverability is in doubt.

Al Anwar Holdings SAOG

Notes

(forming part of the consolidated financial statements)

25 Financial risk management (continued)

The aging of consolidated trade receivables (including amount due from a related party) at the reporting date was:

	Gross 2009 RO'000	Impairment 2009 RO'000	Gross 2008 RO'000	Impairment 2008 RO'000
Not past due	2,304	-	2,001	-
Past due 1 -90 days	708	-	852	-
Past due 91-365 days	146	91	86	-
Past due more than 365 days	115	115	141	89
	-----	-----	-----	-----
Total	3,273	206	3,080	89
	=====	=====	=====	=====

The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:

	Carrying amount 2009 RO'000	2008 RO'000
Sultanate of Oman and GCC countries	1,030	990
Others	1,992	1,838
	-----	-----
	3,022	2,828
	=====	=====

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group uses local banks operating in the Sultanate of Oman to ensure that it has sufficient cash on demand to meet expected operational expenses and sufficient credit facilities to manage its liquidity risk. The Group has total credit facilities in the amount of RO 14 million from five banks. Short term loans and overdraft ranging are, on average, utilized for period of 15 to 30 days to bridge the gap between collections of receivables and settlement of product purchase bills during the middle of every month. The maturities of Group's undiscounted financial liabilities at reporting date is as below:

					RO '000
Liquidity risk	Carrying	Contractual	Less than	6 months	Above 1
2009	amount	cash flows	6 months	to 1 year	year
<i>Non-derivative financial liabilities</i>					
Term loans	5,450	5,777	267	772	4,738
Bank borrowings	4,032	4,334	4,334		
Trade and other payables	2,274	2,274	2,274		
Total	11,756	12,385	6,875	772	4,738
2008					
<i>Non-derivative financial liabilities</i>					
Term loan	9,178	9,722	169	389	9,164
Bank borrowings	3,396	3,651	3,651		
Trade and other payables	2,316	2,316	2,316		
Total	14,900	15,689	6,136	389	9,164

Al Anwar Holdings SAOG

Notes

(forming part of the consolidated financial statements)

25 Financial risk management *(continued)*

Market risk

Interest rate risk

The Group manages its interest rate risk through using fixed rate debts and deposits. The Group does not have any interest bearing assets and liabilities with floating interest rate.

Equity price risk

Equity price risk arises from the Group's investments in equity securities. The Group mitigates this risk by making investments in diversified portfolio and geographical regions. Material investments within the portfolio are managed on an individual basis and all purchase and sell decisions are approved by the Board of Directors.

Sensitivity analysis – equity price risk

The following table demonstrates the sensitivity of the Group's equity and profit or loss to a 5% change in the price of its equity holdings, assuming all other variables in particular foreign currency rates remain constant. Change of 5% in value of equity securities would impact results and equity by RO 0.597 million (2008: 0.642 million)

Currency risk

The Group's exposure to currency risk mainly relates to its investment in Almondz Global Securities, India in the amount equivalent to RO 0.735 million at the reporting date. Change of 10% in currency fluctuations would impact results and equity by RO 73,000.

Capital management

The capital of the Group comprises of paid up share capital, legal reserve, retained earnings and fair value reserve. Summary of quantitative data as to what the Group manages as the capital and any changes therein from the previous year are given in statement of changes in equity. The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain further development of the business. The Board of Directors monitors the return on capital. The Board of Directors also monitors the level of dividends to ordinary shareholders.

Fair value

Management estimates that carrying value of the financial assets and liabilities approximate to their respective fair values at the balance sheet date.

Al Anwar Holdings SAOG

Notes

(forming part of the consolidated financial statements)

26 Segmental information

Primary reporting format – business segments

The Group is organised in the Sultanate of Oman into two main business segments:-

- a) Industrial segment, which is engaged in producing and distributing different industrial products such as transformers, aluminium products and printed packaging materials and
- b) Investment segment, which is engaged in investment in projects and their management. Investment segment is the only business segment in the Parent Company, hence not been disclosed separately.

There are sales and other transactions between the business segments. Segment assets consist primarily of property, plant and equipment, inventories, receivables, operating cash, and investments. Segment liabilities comprise operating liabilities. Common costs are allocated between the segments on relevant bases such as time devoted, turnover and space occupied.

Financial information in respect of the segments is presented in Schedule I on page 33.

Secondary reporting format - Geographical Segments

The Group operates primarily from the Sultanate of Oman and there are no distinguishable geographical operating segments. However the geographical profile of sales revenue and trade accounts receivable (net of provisions) based on location of customers is shown below:-

	2009	2008	2009	2008
	Operating	Operating	Accounts	Accounts
	income	income	receivable	Receivable
	RO'000	RO'000	RO'000	RO'000
Sultanate of Oman and GCC countries	1,361	4,282	1,030	990
Others	1,207	1,241	1,992	1,838
	-----	-----	-----	-----
	2,568	5,523	3,022	2,828
	=====	=====	=====	=====

27 Comparative figures

Certain comparative information has been reclassified to conform to the presentation adopted in these financial statements.

Al Anwar Holdings SAOG
Schedule I – Segmental information

	Industrial Group		Investment Group		Total Group	
	2009	2008	2009	2008	2009	2008
	<i>RO '000</i>					
Income						
Sales	2,568	5,523	-	-	2,568	5,523
Dividend Income	-	-	1	-	1	-
Other Income	-	19	24	269	24	288
TOTAL INCOME	2,568	5,542	25	269	2,593	5,811
Operating Expenses	(2,361)	(4,669)	(144)	(182)	(2,505)	(4,851)
Gross operating Profit	207	873	(119)	87	88	960
Finance Charges	(101)	(114)	(86)	(117)	(187)	(231)
Share of profits of associates	-	-	220	196	220	196
Profit on sale of investments	-	-	329	2,283	329	2,283
Unrealised gain	-	-	330	1,457	330	1,457
Profit before Income tax	106	759	674	3,906	780	4,665
Taxation	(5)	(87)	-	-	(5)	(87)
Net Profit/(Loss) for the Period	101	672	674	3,906	775	4,578
Total Assets	8,491	8,683	21,288	26,517	29,779	35,200
Total Liabilities	6,841	6,819	5,266	9,119	12,107	15,938