

**AL ANWAR HOLDINGS SAOG**

**UNAUDITED CONDENSED INTERIM  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2012**

**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**

**Summary of Unaudited condensed consolidated results**

	<b>30-Jun 2012</b>	30-Jun 2011	RO'000 Audited 31-Mar 2012
<b>Net assets</b>	<b>18,649</b>	17,881	18,137
<b>Net assets per share* (RO)</b>	<b>0.155</b>	0.149	0.151

  

	<b>3 months ended 30-Jun 2012</b>	3 months ended 30-Jun 2011
<b>Earnings per share** RO</b>	<b>0.004</b>	0.002
<b>Earnings per share RO - Annualised</b>	<b>0.017</b>	0.009

\* Net assets (book value) per share is calculated by dividing the net assets (book value) by the number of ordinary shares in issue.

\*\* Earnings per share have been calculated by dividing the net profit after tax attributable to the equity share holders for the period ended by the average number of ordinary shares in issue for the period.

**AL ANWAR HOLDINGS SAOG**  
**Unaudited condensed interim consolidated statement of comprehensive income**  
**For the period ended 30 June, 2012**

	Notes	<b>3 months ended 30-Jun 2012</b>	RO '000 3 months ended 30-Jun 2011
Gross premiums written		<u>3,550</u>	<u>3,122</u>
Operating income	2(p)	-	2,617
Underwriting results	16	783	392
Investment income	17	23	(58)
Other income	17 (a)	37	80
Share of profit from associates	7	<u>489</u>	<u>327</u>
<b>Total income</b>		<u><b>1,332</b></u>	<u><b>3,358</b></u>
General and administration expenses		(419)	(757)
Finance costs		(98)	(158)
Other operating expenses		-	(2,074)
<b>Total expenses</b>		<u><b>(517)</b></u>	<u><b>(2,989)</b></u>
<b>Profit for the period before tax</b>		<u>815</u>	<u>369</u>
Income tax expense		-	(20)
<b>Profit after tax for the period</b>		<u><u>815</u></u>	<u><u>349</u></u>
Net change in fair value of available for sale financial assets		-	-
<b>Total comprehensive income</b>		<u><u>815</u></u>	<u><u>349</u></u>
<b>Profit attributable to</b>			
Equity holders of Parent Company		512	274
Minority interest		<u>303</u>	<u>75</u>
<b>Profit after tax for the period</b>		<u><u>815</u></u>	<u><u>349</u></u>
<b>Total comprehensive income attributable to</b>			
Equity holders of Parent Company		512	274
Minority interest		<u>303</u>	<u>75</u>
<b>Total comprehensive income</b>		<u><u>815</u></u>	<u><u>349</u></u>
Earnings per share RO		0.004	0.002
Earnings per share RO - Annualised		0.017	0.009

The notes no.1 to 22 form an integral part of these condensed interim consolidated financial statements.

These unaudited condensed interim consolidated financial statements were approved and authorised for issue by the Board of Directors on **12th August, 2012** and were signed on their behalf by:

.....  
Chairman

.....  
Director

.....  
Chief Executive Officer

**AL ANWAR HOLDINGS SAOG**

**Unaudited condensed interim consolidated statement of financial position at 30 June 2012**

	Notes	Unaudited 30-Jun 2012	30-Jun 2011	RO '000 <u>Audited</u> 31-Mar 2012
<b>ASSETS</b>				
Cash and cash equivalents		668	127	228
Short term deposits		3,908	4,741	3,900
Investments held for trading	6	3,175	2,778	3,063
Investments at fair value through profit & Loss Account	6	1,086	1,285	1,173
Investment in associates	6	16,877	14,191	16,389
Available for sale investments	6	259	236	259
Held for sale investment	6	471	367	471
Investment property	8	5,282	5,282	5,282
Inventories	9	-	3,301	-
Trade & other receivables	10	4,691	6,771	4,077
Property, plant and equipment	4	122	3,763	100
Intangible assets	5	728	887	752
Deferred tax asset		-	-	-
<b>Total assets</b>		<b>37,267</b>	<b>43,729</b>	<b>35,694</b>
<b>EQUITY</b>				
<b>Capital and reserves</b>				
Share capital	12 (a)	12,000	12,000	12,000
Legal reserve	12 (b)	1,508	1,434	1,508
Retained earnings		5,012	4,362	4,500
Fair value reserve	12 (c)	20	7	20
Contingency reserve		109	78	109
<b>Equity attributable to the shareholders of Parent Company</b>		<b>18,649</b>	<b>17,881</b>	<b>18,137</b>
Minority interest		2,860	3,814	2,557
<b>Total equity</b>		<b>21,509</b>	<b>21,695</b>	<b>20,694</b>
<b>LIABILITIES</b>				
Net insurance liabilities	11	7,080	6,075	6,353
Other liabilities and accruals	15	1,925	4,760	1,843
Bank borrowing	14	138	3,884	487
Current Portion of term loans	13	1,891	1,393	1,891
Long term loans	13	4,662	5,615	4,368
Deferred tax liability		-	145	-
Provision for gratuity		62	162	58
<b>Total liabilities</b>		<b>15,758</b>	<b>22,034</b>	<b>15,000</b>
<b>Total equity and liabilities</b>		<b>37,267</b>	<b>43,729</b>	<b>35,694</b>
<b>Net Assets per share</b>		<b>0.155</b>	<b>0.149</b>	<b>0.151</b>

The notes no.1 to 22 form an integral part of these condensed interim consolidated financial statements.

**AL ANWAR HOLDINGS SAOG**  
**Unaudited condensed interim consolidated statement of changes in equity**  
**For the period ended 30 June 2012**

RO'000

	Share capital	Legal reserve	Retained earnings	Fair value Reserve	Contingency reserve	Total	Minority Interest	Total
<b>1-Apr-2012</b>	<b>12,000</b>	<b>1,508</b>	<b>4,500</b>	<b>20</b>	<b>109</b>	<b>18,137</b>	<b>2,557</b>	<b>20,694</b>
Stock dividend	-	-	-	-	-	-	-	-
Increase due to acquisition of subsidiary	-	-	-	-	-	-	-	-
Net profit for the period	-	-	512	-	-	512	303	815
Net change in fair value of available for sale financial assets, net of tax	-	-	-	-	-	-	-	-
Legal reserve	-	-	-	-	-	-	-	-
Transfer to contingency reserve (falcon)	-	-	-	-	-	-	-	-
Fair value reserve created during the period	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-
<b>At 30 June 2012</b>	<b>12,000</b>	<b>1,508</b>	<b>5,012</b>	<b>20</b>	<b>109</b>	<b>18,649</b>	<b>2,860</b>	<b>21,509</b>

	Share capital	Legal reserve	Retained earnings	Fair value Reserve	Contingency reserve	Total	Minority Interest	Total
<b>1-Apr-2011</b>	<b>12,000</b>	<b>1,434</b>	<b>4,141</b>	<b>7</b>	<b>25</b>	<b>17,607</b>	<b>3,797</b>	<b>21,404</b>
Stock dividend	-	-	-	-	-	-	-	-
Increase due to acquisition of subsidiary	-	-	-	-	-	-	-	-
Net profit for the year	-	-	274	-	-	274	75	349
Legal reserve	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	(58)	(58)
Fair value reserve created during the period	-	-	(53)	-	53	-	-	-
<b>At 30 June 2011</b>	<b>12,000</b>	<b>1,434</b>	<b>4,362</b>	<b>7</b>	<b>78</b>	<b>17,881</b>	<b>3,814</b>	<b>21,695</b>

\* Note:

Legal reserve is not distributable

**AL ANWAR HOLDINGS SAOG**  
**Unaudited condensed interim consolidated statement of**  
**Cash Flows for the three months ended**

	<b>30-Jun 2012 RO'000</b>	30-Jun 2011 RO'000
<b>Cash flows from operating activities</b>		
Dividend income and cash receipts from sales	2,584	5,169
Cash paid towards operating and other expenses	(1,966)	(4,609)
Cash generated from operations	<u>618</u>	<u>560</u>
Finance charges (net)	(88)	(149)
Taxation	-	-
Net cash generated from operating activities (a)	<u>530</u>	<u>411</u>
<b>Cash flows from investing activities</b>		
Purchase of plant and equipment	(34)	(173)
Disposal of plant and equipment	-	-
Increase of bank deposits	-	-
Movement in related party current account	-	-
Proceeds from disposal of a subsidiary	-	-
Proceeds from disposal of other investments	-	35
Purchase of investments	-	(2,154)
Effect of (disposal) / acquisition of a subsidiary	-	-
Net cash (used in) / generated from investing activities (b)	<u>(34)</u>	<u>(2,292)</u>
<b>Cash flows from financing activities</b>		
Dividend received	-	12
Dividend paid by Parent Company	-	-
Dividends paid to minority to shareholders	-	(58)
Received from related party	-	-
Proceeds from term loans	716	500
Repayment of term loans	(423)	(108)
Short term bank borrowings-net	(349)	1,103
Net cash used in financing activities (c)	<u>(56)</u>	<u>1,449</u>
(Decrease) / increase in cash and cash equivalents during the year (a + b + c)	440	(432)
Cash and cash equivalents at the beginning of the year	<u>228</u>	<u>559</u>
<b>Cash and cash equivalents at the end of the year</b>	<u><u>668</u></u>	<u><u>127</u></u>

## Notes

*(forming part of the unaudited, condensed interim 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”) 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 - General

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. Statement of compliance and basis of preparation

The unaudited condensed interim consolidated 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 (“CMA”).

The unaudited condensed interim consolidated 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 which are stated at amortised cost.

The unaudited condensed interim consolidated financial statements are presented in Rial Omani (“RO”), which the Board of Directors believes is the functional currency of the Parent Company. All financial information presented in RO has been rounded to the nearest thousand.

#### 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 unaudited financial statements of subsidiaries are included in the unaudited condensed interim 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 unaudited condensed interim consolidated financial position incorporates the assets and liabilities of the Parent Company 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 audited financial statements for the period ended on the preceding 31 March. Adjustments are made for significant transactions which took place between the reporting date of subsidiaries and the Parent Company.

## Notes

(forming part of the unaudited, condensed interim consolidated financial statements)

### 2. Significant accounting policies - General (continued)

#### c. Investments

##### *Subsidiary*

In the Parent Company's stand alone unaudited condensed statement of financial position, 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 unaudited condensed interim 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 preceding 30th September. 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 stand alone unaudited condensed statement of financial position.

##### *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 and subsequently measured at fair value in the financial position with transaction cost taken directly to the profit or loss. 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 financial position date. Unquoted investments are valued at fair value when they can be reliably measured; otherwise they are stated at cost.

## Notes

(forming part of the unaudited, condensed interim consolidated financial statements)

### 2. Significant accounting policies - General (continued)

#### c. Investments (continued)

##### *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	4 - 15
Motor vehicles	3 - 5
Furniture and fixtures	3 - 8
Software	3

Capital work in progress is not depreciated.

#### 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 statement of comprehensive income 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 the derecognition of investment properties are recognised in the statement of comprehensive income in the year of derecognition.

## Notes

(forming part of the unaudited, condensed interim consolidated financial statements)

### 2. Significant accounting policies - General (continued)

#### **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 financial position date.

#### **k. Impairment**

Financial assets

At each financial position 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 financial position 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.

#### **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 financial position date.

#### **m. Provisions**

A provision is recognized in the financial position 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.

## Notes

(forming part of the unaudited, condensed interim consolidated financial statements)

### 2. Significant accounting policies - General (continued)

#### n. Trade and other payable

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 profit or loss 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.

#### 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 financial position 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 financial position date are translated at the rates of exchange prevailing at that date. Exchange differences that arise are recognised in the statement of income.

## Notes

*(forming part of the unaudited, condensed interim consolidated financial statements)*

### 2. Significant accounting policies - General *(continued)*

#### **t. Operating segment**

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components.

All operating segments' operating results are reviewed regularly by the Parent Company's CEO to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

#### **u. Dividend**

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 stand alone unaudited condensed statement of financial position in the period in which the dividend is declared.

#### **v. 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.

#### **w. 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.

#### **x. Earnings and net assets per share**

The Group presents earnings per share (EPS) and net assets per share data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Net assets per share is calculated by dividing the net assets attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

#### **y. New standards and interpretations not yet effective**

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 March 2012, and therefore have not been applied in preparing these consolidated financial statements. None of these will have an effect on the consolidated financial statements of the Group.

## Notes

*(forming part of the unaudited, condensed interim consolidated financial statements)*

### 3. Significant Accounting Policies - Insurance Operations

#### a. Gross premium written

Premium on insurance contracts are recognized as revenue (earned premiums) proportionally over the period of coverage.

#### b. Reserve for unexpired risks/ unearned premium reserve

The reserve for unexpired risk represents the estimated portion of net premium income after deduction of the reinsurance share which relates to period of insurance subsequent to the statement of financial position date.

The reserve is calculated in accordance with the Insurance Companies Law of the Sultanate of Oman at 45% of the net retained premium for the year, for all classes of general business. The reserve for unexpired risks for life business is created on the basis of actuarial valuation performed on an annual basis.

#### c. Commission earned and paid

Commission earned and paid are recognised at the time policies are written.

#### d. Provision for out standing claims

Provision for outstanding claims is recognized at the date the claims are known and covers the liability for loss and loss adjustment expenses based on loss reports from independent loss adjusters and management best estimate.

#### e. Reinsurer's share of claims

Contracts entered into by the subsidiary with reinsurers under which the subsidiary is compensated for losses on one or more insurance contracts issued by the subsidiary are classified as reinsurance contract held by the subsidiary. The benefits to which the subsidiary is entitled under its reinsurance contracts held are recognised as reinsurance assets. these assets consists of short term balances due from reinsurers. Amount recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and in accordance with the terms of each reinsurance contract. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expenses when due.

## Notes

(forming part of the unaudited, condensed interim consolidated financial statements)

### 4. Property plant and equipment

RO '000

Group	Buildings on leasehold land	Plant, machinery and equipment	Motor vehicles	Furniture and fixtures	Capital work in progress	Total
<b>Cost</b>						
1-Apr-12	-	-	73	347	-	420
Arising from acquisition of subsidiary	-	-	-	-	-	-
Additions during the period	-	-	25	10	-	35
Disposal during the period	-	-	-	-	-	-
<b>30-Jun-12</b>	-	-	<b>98</b>	<b>357</b>	-	<b>455</b>
<b>Depreciation</b>						
1-Apr-12	-	-	71	250	-	321
Arising from acquisition of subsidiary	-	-	-	-	-	-
Charge for the period	-	-	1	11	-	12
Related to disposal	-	-	-	-	-	-
<b>30-Jun-12</b>	-	-	<b>72</b>	<b>261</b>	-	<b>333</b>
<b>Net book value</b>						
<b>At 30 June 2012</b>	-	-	<b>26</b>	<b>96</b>	-	<b>122</b>
At 30 June 2011	806	2,774	46	99	38	3,763
At 31 March 2012	-	-	2	98	-	100

### 5. Intangible assets

	Customer Portfolio	License	Goodwill	RO '000 Total
<b>Cost</b>				
1-Apr-12	560	290	493	1,343
Arising from acquisition of subsidiary	-	-	-	-
Arising from consolidation	-	-	-	-
<b>30-Jun-12</b>	<b>560</b>	<b>290</b>	<b>493</b>	<b>1,343</b>
<b>Amortisation</b>				
1-Apr-12	360	131	100	591
Arising from subsidiary	-	-	-	-
Charge during the period	14	10	-	24
<b>30-Jun-12</b>	<b>374</b>	<b>141</b>	<b>100</b>	<b>615</b>
<b>Net book value</b>				
<b>At 30 June 2012</b>	<b>186</b>	<b>149</b>	<b>393</b>	<b>728</b>
At 30 June 2011	242	189	456	887
At 31 March 2012	200	159	393	752

## Notes

(forming part of the unaudited, condensed interim consolidated financial statements)

### 6. Investments

Investments in subsidiaries, associates and investments at fair value through profit or loss represent companies registered in the Sultanate of Oman, Kuwait, Bahrain and India having financial reporting periods ended on 30 June , 2012. The carrying value of these investments are as follows:

		RO'000		
		30-Jun 2012	30-Jun 2011	31-Mar 2012
<b>Associates :</b>	Quoted	15,562	13,215	15,179
	Unquoted	1,315	976	1,210
	<b>Total</b>	<b>16,877</b>	<b>14,191</b>	<b>16,389</b>
<b>At fair value through statement of Income :</b>	Quoted	256	794	368
	Un Quoted	830	491	805
	<b>Total</b>	<b>1,086</b>	<b>1,285</b>	<b>1,173</b>
<b>Available for sale investments:</b>	Quoted	119	114	119
	Unquoted	140	122	140
	<b>Total</b>	<b>259</b>	<b>236</b>	<b>259</b>
<b>Held for trading :</b>	Quoted	3,175	2,778	3,063
<b>Held for Sale :</b>	Quoted	471	367	471
<b>Total Investments</b>		<b>21,868</b>	<b>18,857</b>	<b>21,355</b>

Investments having a total carrying value of RO 1.3 million (2011: RO 1.5 million) are registered in the name of Al-Anwar International Investment LLC for and on behalf of the Parent Company.

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

#### a. Investment in subsidiary

Details of investment in subsidiaries of the parent company are as follows: -

	Proportion held		Paid up share capital	
	30-Jun 2012	30-Jun 2011	30-Jun 2012	30-Jun 2011
Falcon Insurance SAOC (FIC)	51.00%	51.00%	5,400	5,400
Sun Packaging Company LLC (SPC)	-	62.50%	-	1,550
Al Anwar International Investment LLC (AAII)	100.00%	100.00%	150	150
Al Anwar Securities SAOC (AAS)	100.00%	100.00%	1,000	1,000

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.

The Parent Company has not exercised any control over Sun Plastics Company LLC since 2002 and accordingly the subsidiary has been excluded from consolidation from March 2004. Further a legal opinion was also obtained clarifying that the Parent Company has no liabilities with respect to operations of Sun Plastics Company LLC, pursuant to the aforementioned agreement.

## Notes

(forming part of the unaudited, condensed interim consolidated financial statements)

### 6. Investments (Continued)

#### b. Investment in associate

Summary of financial information for investment in associates not adjusted for the percentage held by the Parent Company:

	Shareholding percentage	Status	Total assets	Total liabilities	Total revenues	RO'000 Profit or loss
<b>30-Jun-12</b>						
Voltamp Energy SAOG	25.00%	Quoted	24,075	8,841	3,508	236
Taageer Finance Company SAOG	33.63%	Quoted	87,258	60,928	2,503	966
Al Maha Ceramics SAOC	32.00%	Unquoted	10,597	6,547	1,921	329
			<b>121,930</b>	<b>76,316</b>	<b>7,932</b>	<b>1,531</b>
<b>30-Jun-11</b>						
Voltamp Energy SAOG	25.71%	Quoted	19,105	2,839	3,639	571
Taageer Finance Company SAOG	25.63%	Quoted	83,741	63,279	2,333	647
Al Maha Ceramics SAOC	32.00%	Unquoted	10,291	7,324	1,146	102
			<b>113,137</b>	<b>73,442</b>	<b>7,118</b>	<b>1,320</b>

The movement in carrying value of investments in associates, net of impairment, in group accounts is as follows:

	2012	RO'000 2011
At 1 April	16,389	12,342
Additional investments/transfer from investments	-	1,522
Disposal of investment/transfer to investments	-	-
Dividends received	-	-
Share of profit after tax	489	327
Impairment of investments	-	-
Share of changes in fair value	-	-
<b>At 30 June</b>	<b>16,878</b>	<b>14,191</b>

#### c. Investment at fair value through Statement of Income

Sector-wise analysis of the Group's investment in financial asset at fair value through statement of comprehensive income is as follows:

	30-Jun 2012	30-Jun 2011
Banking	8%	9%
Leasing	12%	17%
Financial services	46%	46%
Industry	28%	22%
Others	6%	6%

## Notes

(forming part of the unaudited, condensed interim consolidated financial statements)

### 6. Investments (Continued)

#### c. Investment at fair value through Statement of Income (Continued)

Group's investment in investment at fair value through statement of comprehensive income having the market value of 10% or more of the Group's total investments at fair value in quoted securities is as follows:

Group	Percentage of the portfolio	Number of securities	Market value RO'000	Carrying value RO'000
<b>Jun-12</b>				
Almondz Global Securities Ltd.	5%	3,091,500	176	176
Muscat Finace Company SAOG; held by subsidiary	12%	2,718,430	462	462
<b>Jun-11</b>				
Almondz Global Securities Ltd.	18%	3,091,500	713	713
Muscat Finace Company SAOG; held by subsidiary	19%	2,960,142	729	729

Group's investment at fair value thru statement of comprehensive income & held for trading are further analysed as follows:-

	Fair value		Book Value		RO'000
	30-Jun 2012	30-Jun 2011	30-Jun 2012	30-Jun 2011	Fair Value 31-Mar 2012
	<b>Quoted</b>	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
<b>Quoted at Muscat Securities Market</b>					
Banking	390	380	390	380	385
Leasing	569	735	569	735	549
Financial services	1,478	838	1,478	838	1,419
Industry & Others	1,289	1,273	1,289	1,273	1,262
<b>Quoted at foreign securities markets</b>					
Financial Services	176	713	176	713	288
<b>Total quoted investment</b>	<b>3,902</b>	<b>3,939</b>	<b>3,902</b>	<b>3,939</b>	<b>3,903</b>
<b>Unquoted</b>					
Financial Services	830	491	830	491	805
<b>Total unquoted investment</b>	<b>830</b>	<b>491</b>	<b>830</b>	<b>491</b>	<b>805</b>
<b>Total investment at Fair value thru profit &amp; loss and held for trading</b>	<b>4,732</b>	<b>4,430</b>	<b>4,732</b>	<b>4,430</b>	<b>4,708</b>

In accordance with the Oman Insurance Companies Law of 1979 ("the legislation"), as amended, a subsidiary of the Group has pledged certain investments under lien to the Capital Market Authority amounting to RO 5,526,139 as at 30 June 2012 (30 June 2011 – RO 5,222,105). Under the terms of the legislation, the company may utilise these assets only with the prior approval of the Capital Market Authority.

### 7. Group's share of profits / (loss) of associates:

	RO'000	
	30-Jun 2012	30-Jun 2011
Voltamp Energy SAOG	59	147
Falcon Insurance Company SAOC (FIC)	-	-
ABI Precision Castings SAOC	-	-
Al Maha Ceramics SAOC	105	33
Taageer Finance Company SAOG	325	147
	<b>489</b>	<b>327</b>

### 8. Investment property

Investment property represents land purchased by the Parent Company intended for sale or development. The land is stated at its cost of RO 3,000 million. Management believes that costs are equals to its fair value at the reporting date. It also includes land purchased by one of its subsidiary which is stated at fair value.

## Notes

*(forming part of the unaudited, condensed interim consolidated financial statements)*

### 9. Inventories

	<b>30-Jun</b>	30-Jun	<b>RO'000</b>
	<b>2012</b>	2011	31-Mar
			2012
Raw materials	-	2,423	-
Work in progress	-	807	-
Finished goods	-	112	-
Less: Impairment allowance	-	(41)	-
	<b>-</b>	<b>3,301</b>	<b>-</b>
Movement in the impairment allowance is as follows:			
As at 1st April	-	38	-
Effect of disposal of subsidiary	-	-	-
Provided during the period	-	3	-
Write back during the year	-	-	-
<b>As at 30 June</b>	<b>-</b>	<b>41</b>	<b>-</b>

### 10. Trade and other receivables

	<b>30-Jun</b>	30-Jun	<b>RO'000</b>
	<b>2012</b>	2011	31-Mar
			2012
Trade receivables	<b>710</b>	3,945	-
Premium receivable	<b>3,789</b>	2,411	2,663
Impairment allowance	<b>(160)</b>	(214)	(160)
	<b>4,339</b>	6,142	2,503
Prepayments and other receivables	<b>188</b>	349	582
Amounts due from related parties (note 18)	<b>164</b>	280	992
	<b>4,691</b>	6,771	4,077
Movement in impairment allowance is as follows:			
As at 1st April	<b>160</b>	155	155
Effect on disposal/acquisition of subsidiary	-	-	(120)
Provided during the period	-	59	125
Written back during the period	-	-	-
<b>As at 30 June</b>	<b>160</b>	214	160

## Notes

(forming part of the unaudited, condensed interim consolidated financial statements)

### 11. Insurance liabilities and reinsurance assets

	<b>30-Jun</b>	30-Jun	<b>RO'000</b>
	<b>2012</b>	2011	31-Mar
			2012
Gross Insurance contract liabilities	<b>9,145</b>	9,333	9,330
Due to reinsurance	<b>3,671</b>	3,259	3,107
Less : Reinsurers' share of insurance liabilities	<b>(5,736)</b>	(6,517)	(6,084)
Total insurance liabilities – net	<b>7,080</b>	6,075	6,353

\* IBNR represents provisions for losses incurred but not yet reported.

\*\*Unearned premium reserve represents the element of premium income, relating to periods of cover after the period end.

## Notes

(forming part of the unaudited, condensed interim consolidated financial statements)

### 12. Share capital and reserves

#### a) Share capital

The authorised share capital of the Parent Company comprises 200,000,000 (2011: 200,000,000) shares of 100 baisas (2011: Bz 100) each. The issued and fully paid up share capital consists of 120,000,000 (2011: 120,000,000) shares of 100 baisas (2011: Bz. 100) each. Movement in number of shares during the year is as follows:

	<u>2012</u>	<u>2011</u>
1-Apr	120,000,000	120,000,000
Stock dividend	-	-
	-----	-----
30-Jun	120,000,000	120,000,000
	=====	=====

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

	<b>Number of shares held</b>	<b>2012</b>	Number of shares held	2011
Fincorp Investment Company LLC	36,493,740	29.58%	27,516,578	26.50%
Financial Services Company SAOG - Trust	19,429,202	16.19%	20,060,102	16.20%
Mohamed and Ahmed Al Khonji LLC	6,040,613	5.03%	5,537,229	5.03%
	=====	=====	=====	=====

#### b) Legal Reserve

As required by Article 106 of the Commercial Companies Law of the Sultanate of Oman, the Company and each of the Group entities incorporated in the Sultanate of Oman, transfer 10% of their profit for the year to such reserve until such time as the statutory reserve amounts to at least one third of the respective company's capital.

#### c) Fair Value Reserve

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

## Notes

(forming part of the unaudited, condensed interim consolidated financial statements)

### 13. Term Loans

	<b>30-Jun</b>	30-Jun	<b>RO'000</b>
	<b>2012</b>	2011	31-Mar
			2012
<b>Non-current portion</b>			
From commercial banks	<b>4,662</b>	5,231	4,368
From Government	-	310	-
Deferred government grant	-	74	-
	<b>4,662</b>	5,615	4,368
<b>Current portion of term loans</b>			
From commercial banks	<b>1,891</b>	1,251	1,891
From government	-	142	-
	<b>1,891</b>	1,393	1,891
	<b>6,553</b>	7,008	6,259

Term loans obtained by the Parent Company from commercial banks are secured by pledge of the shares in subsidiaries, associates and other investments.

Government term loans are obtained by a subsidiary and are secured by joint insurance and a first charge on all assets of the subsidiary.

### 14. Bank Borrowings

The Parent Company has overdraft facilities of RO 600,000 (2011: RO 600,000) from two commercial banks. The interest on bank borrowings is charged at commercial rates.

A subsidiary of the group has total working capital facilities of RO 0.9 million (2011: RO 5.4 million). The interest is charged at commercial rate. The facility is secured by second pari-passu charge on the assets of the company.

### 15. Trade and Other payables

	<b>30-Jun</b>	30-Jun	<b>RO'000</b>
	<b>2012</b>	2011	31-Mar
			2012
Trade payables	<b>1,686</b>	4,132	1,604
Accruals and other payables	<b>3</b>	392	3
Provision for income tax	<b>236</b>	236	236
	<b>1,925</b>	4,760	1,843

## Notes

(forming part of the unaudited, condensed interim consolidated financial statements)

### 16. Underwriting results

This is analysed as follows:

	<b>30-Jun 2012 RO '000</b>	30-Jun 2011 RO '000
<b>Revenue</b>		
Gross written premiums (net of commission) arising from insurance contracts	<b>3,564</b>	3,129
Movement in unearned premiums	<b>(288)</b>	(143)
<b>Insurance premium revenue (a)</b>	<b>3,276</b>	2,986
Premiums (net of commission) ceded to reinsurers on insurance contracts issued	<b>(1,583)</b>	(1,437)
Movement in unearned premiums	<b>133</b>	(55)
<b>Insurance premium ceded to reinsurers (b)</b>	<b>(1,450)</b>	(1,492)
Gross insurance claims and loss adjustment expenses	<b>(1,340)</b>	(4,572)
Insurance claims and loss adjustment expenses recovered from reinsurers	<b>608</b>	3,771
<b>Net claims incurred (c)</b>	<b>(732)</b>	(801)
<b>Expenses for the acquisition of insurance contracts (d)</b>	<b>(311)</b>	(301)
	-	-
<b>Underwriting results (a+b+c+d)</b>	<b>783</b>	392

## Notes

(forming part of the unaudited, condensed interim consolidated financial statements)

<b>17. Investment income</b>	<b>30-Jun 2012 RO '000</b>	30-Jun 2011 RO '000
Net unrealised (loss) / gains on investments at fair value through profit & loss*	<b>38</b>	(83)
Gain on disposal of investments	-	17
Exchange gain on investments at fair value through statement of Comprehensive income	(15)	(4)
Realised gain on sale of held for trading investment	-	-
Gain/(Loss) on sale of investmetn at fair value through profit & loss	-	12
	<b>23</b>	<b>(58)</b>

\* The losses primarily pertains to mark to market losses for our investments in India and Bahrain.

<b>17 (a). Other income</b>	<b>30-Jun 2012 RO '000</b>	30-Jun 2011 RO '000
Sitting fees	<b>9</b>	6
Interest income	<b>27</b>	32
Miscellaneous income	<b>1</b>	42
	<b>37</b>	<b>80</b>

## Notes

(forming part of the unaudited, condensed interim consolidated financial statements)

### 18. Related Party transaction

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 period related party transactions were as follows:

	<b>RO'000</b>	
	<b>30-Jun</b>	30-Jun
	<b>2012</b>	2011
<b>Transactions entered into by the Parent Company</b>		
Remuneration and meeting attendance fees income	9	6
Directors Remuneration and sitting fees paid	3	4
Project management fees	-	-
	=====	=====
<b>Transactions entered into by subsidiary company:</b>		
<u>Falcon Insurance Company SAOC</u>		
Premium received	47	38
Claims paid	1	(2)
	=====	=====

b) Dues from related party and dues to related party were as follows:

	<b>RO'000</b>		
	<b>2012</b>	2011	2012
	<b>30-Jun</b>	30-Jun	31-Mar
<i>Due from related parties (note 10)</i>			
ABI Precision Castings SAOC	4	4	4
Al Maha Ceramics SAOC	-	90	56
Al Anwar International & Investment LLC	-	-	-
VE	-	-	275
Taageer	-	-	495
In the Books of subsidiary : Falcon Insurance Co. SAOC	<b>160</b>	186	162
	<b>164</b>	280	992
	=====	=====	=====

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

## Notes

(forming part of the unaudited, condensed interim consolidated financial statements)

### 19. Operating segments

#### Primary reporting format – business segments

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

- a) Industrial segment, which is engaged in producing and distributing different industrial products such as 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.
- c) After increasing the stake in Falcon Insurance, the group has added Insurance segment also w.e.f. 1st June, 2010, which is engaged in providing general, life and medical insurance in the Sultanate of Oman.

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 are as follows: -

				<i>RO '000</i>
<b>30-Jun-12</b>	Industrial Segment	Investment Segment	Insurance Segment*	<b>Total</b>
Total Revenue	-	<b>549</b>	<b>783</b>	<b>1,332</b>
Segment Results	-	<b>196</b>	<b>619</b>	<b>815</b>

30-Jun-11	Industrial Segment	Investment Segment	Insurance Segment*	Total
Total Revenue	2,617	349	392	3,358
Segment Results	128	166	55	349

Total assets for each segment which have changed significantly are as follows

				<i>RO '000</i>
<b>30-Jun-12</b>	Industrial Segment	Investment Segment	Insurance Segment	<b>Total</b>
Total Assets	-	<b>22,510</b>	<b>14,757</b>	<b>37,267</b>
Total Liabilities	-	<b>6,839</b>	<b>8,919</b>	<b>15,758</b>

  

30-Jun-11	Industrial Segment	Investment Segment	Insurance Segment	Total
Total Assets	10,029	19,512	14,188	43,729
Total Liabilities	8,110	6,051	7,873	22,034

## Notes

(forming part of the unaudited, condensed interim consolidated financial statements)

### 20. Contingent Liabilities and Commitments

	2012	2011	RO '000
	30-Jun	30-Jun	31-Mar
Guarantees:			
- Subsidiaries	-	-	-
- Associates	2,258	2,258	2,258
- Others*	239	-	239
	<u>2,497</u>	2,258	2,497
Letters of credit by subsidiary companies	-	1,010	-
	<u>2,497</u>	<u>3,268</u>	<u>2,497</u>

\*Other guarantees includes guarantees given by subsidiary

There is no significant changes in commitments of the group during the period.

### 21. Comparative figures

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

The previous year numbers are not comparable as the statement of income for the current year is after consolidation of Falcon Insurance Company SAOC which became subsidiary as on 31st May, 2010 and Sun Packaging cease to be subsidiary from 01st Oct'11.

### 22. Parent Company

The statement of Income for the quarter ended as on 30th June 2012 and the Statement of Financial Position as on 30th June 2012 are presented in the annexure.

**AL ANWAR HOLDINGS SAOG**  
**Stand alone unaudited condensed interim statement of comprehensive income**  
**of Parent Company For the period ended 30 June 2012**

	(RO '000)	
	2012	2011
	30-Jun	30-Jun
	RO	RO
Investment income	(87)	(26)
Other Income	11	41
<b>Total Income</b>	<u>(76)</u>	<u>15</u>
General and administration expenses	(119)	(77)
Finance costs	(97)	(84)
<b>Total Expenses</b>	<u>(216)</u>	<u>(161)</u>
<b>Profit for the period before tax</b>	<u>(292)</u>	<u>(146)</u>
Income tax expense	-	-
<b>Profit after tax for the period</b>	<u>(292)</u>	<u>(146)</u>
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<u>(292)</u>	<u>(146)</u>
<b>Profit attributable to</b>		
Equity holders of Parent Company	(292)	(146)
Minority interest	-	-
<b>Profit after tax for the period</b>	<u>(292)</u>	<u>(146)</u>
<b>Total comprehensive income attributable to</b>		
Equity holders of Parent Company	(292)	(146)
Minority interest	-	-
<b>Total comprehensive income</b>	<u>(292)</u>	<u>(146)</u>

**AL ANWAR HOLDINGS SAOG**  
**Stand alone unaudited condensed statement of financial position**  
**of the Parent Company as on 30 June 2012**

	<b>(RO '000)</b>		
	<b>30-Jun</b>	30-Jun	<u>Audited</u>
	<b>2012</b>	2011	31-Mar
	<b>RO</b>	RO	RO
<b>ASSETS</b>			
Cash and cash equivalents	501	7	6
Trade & other receivables	28	118	898
Investment held for trading	29	24	365
Investment available for sale	51	39	79
Investments at fair value through profit & loss	1,083	1,281	805
Investment in associates	12,159	10,165	12,159
Investment in subsidiary	4,474	5,365	4,474
Property, plant and equipment	41	8	35
Investment property	3,000	3,000	3,000
<b>Total assets</b>	<b>21,366</b>	<b>20,007</b>	21,821
<b>EQUITY</b>			
<b>Capital and reserves</b>			
Share capital	12,000	12,000	12,000
Legal reserve	1,508	1,436	1,508
Retained earnings	33	(490)	324
<b>Equity attributable to the shareholders of Parent Company</b>	<b>13,541</b>	12,946	13,832
<b>LIABILITIES</b>			
Other liabilities and accruals	1,260	1,280	1,233
Bank borrowing	-	243	487
Current portion of term loans	1,891	1,101	1,891
Long term loans	4,662	4,431	4,368
Provision for gratuity	12	6	10
<b>Total liabilities</b>	<b>7,825</b>	7,061	7,989
<b>Total equity and liabilities</b>	<b>21,366</b>	20,007	21,821