

**MAJAN COLLEGE SAOG  
(MAJAN UNIVERSITY COLLEGE)**

**Financial Statements**

*For the year ended 31 August 2024*

Together with Independent Auditor's Report

# MAJAN COLLEGE SAOG (MAJAN UNIVERSITY COLLEGE)

## **Financial Statements**

*For the year ended 31 August 2024*

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**MAJAN COLLEGE SAOG (MAJAN UNIVERSITY COLLEGE)**  
**Administration and contact details as at 31 August 2024**

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Commercial registration number	1506609 obtained on 17 December 1995
Directors	Mr. Salam Salim Al Mur Al Kindi - Chairman Ms. Sarah Ali Darwish Ali Al Shamali - Deputy Chairman Mr. Emad Aldeen Fahmi Nemer Assaf - Board Member Mr. Ahmad Ali Darwish Haji Ali Al Shamali - Board Member Mr. Mansour Faraj Khamis Al Saeed - Board Member
Audit Committee	Mr. Mansour Faraj Khamis Al Saeed - Chairman Mr. Ahmad Ali Darwish Haji Ali Al Shamali - Member Mr. Emad Aldeen Fahmi Nemer Assaf - Member
Nominations and Remuneration Committee	Mr. Salam Salim Al Mur Al Kindi - Chairman Mr. Ahmad Ali Darwish Haji Ali Al Shamali - Member Ms. Sarah Ali Darwish Ali Al Shamali - Member
Registered Office	P.O. Box 710 Postal Code 112 Ruwi, Muscat, Sultanate of Oman
Bankers	Ahli Bank SAOG Oman Arab Bank SAOG Alizz Islamic Bank SAOG Commercial Bank of Kuwait National Bank of Oman SAOG
Auditors	Baker Tilly (MKM) Oman LLC Level 2, Suite 206, Al Maktabi Building, Wattaya P.O. Box: A1216-900, PC: 111, Muscat, Oman

**MAJAN COLLEGE SAOG (MAJAN UNIVERSITY COLLEGE)**  
**Directors' Report**

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The Directors of MAJAN COLLEGE SAOG (MAJAN UNIVERSITY COLLEGE) have great pleasure in presenting their report and the financial statements of the College for the year ended 31 August 2024.

**Principal activities**

The College is engaged in management sciences, scientific research and providing education to students in the Sultanate of Oman.

**Basis of preparation of accounts**

The accompanying audited financial statements have been prepared in accordance with International Financial Reporting Standards-Accounting Standards and the Commercial Companies Law No. 18/2019 of the Sultanate of Oman.

**Financial highlights**

The total fee income of the College for the year ended 31 August 2024 was RO 4,107,592 as compared to the previous year's income of RO 3,830,953. The College earned a profit of RO 917,937 for the year ended 31 August 2024, as compared to a profit of RO 500,592 in the year 2023.

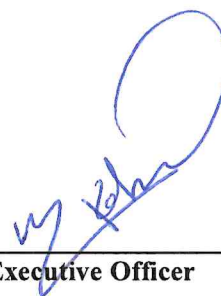
**Auditors**

The financial statements have been audited by Baker Tilly MKM Oman LLC.



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**Chairman**



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**Chief Executive Officer**

**INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF MAJAN COLLEGE SAOG  
(MAJAN UNIVERSITY COLLEGE)**

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

**Opinion**

We have audited the accompanying financial statements of **MAJAN COLLEGE SAOG (MAJAN UNIVERSITY COLLEGE)** (the College), a Public Joint Stock Company registered under the Commercial Companies Law of 1974 and replaced by the Commercial Companies Law No. 18/2019 of the Sultanate of Oman, which comprise the statement of financial position as at 31 August 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the College as at 31 August 2024, and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards – Accounting Standards (IFRS Accounting Standards).

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the College in accordance with the requirements of the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) together with the other ethical requirements that are relevant to our audit of the financial statements in the Sultanate of Oman, and we have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matter. We have determined the matter described below to be the key audit matter.

*Allowance for impairment of fees and other receivables*

The College is required to regularly assess the recoverability of fees and other receivables, this is considered to be a key matter to our audit due to the high value of amounts aged greater than the credit terms extended to students.

This involved judgment as the allowance for expected credit losses must reflect information about past events, current conditions and forecasts of future conditions, as well as the time value of money.

The College's disclosure in Note 8 to the financial statements outlines the accounting policy for determining the allowance for expected credit losses and details of the period-on-period movement in gross and net fee receivables.

**INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF MAJAN COLLEGE SAOG  
(MAJAN UNIVERSITY COLLEGE) (continued)**

**Key Audit Matter (continued)**

Our audit procedures in this area included among others, inquiries with management and work to obtain appropriate audit evidence:

- Obtain an understanding of the process and controls implemented by the College over the fee receivable provisioning process;
- Test the aging of fees and other receivables for a sample of customers transactions;
- Test the adequacy of the College's expected credit losses of fees receivables by performing a retrospective review of historical provisioning and evaluating of the age analysis of fees receivables;
- Evaluate the completeness and other related information used in the expected credit loss model and checked the arithmetic accuracy of the calculation;
- Assess the appropriateness of the College's provisioning policy and assessed the calculation was in accordance with the ECL model applied; and
- Assess the appropriateness of the College's disclosures as per relevant IFRS Accounting Standards.

We focused on this area because the allowance for expected credit losses of fees receivables requires the application of judgment and use of subjective assumptions by management as described in the significant accounting judgments, estimates and assumptions in Note 5.

Based on our procedures, we were satisfied that management's estimates and assumptions were reasonable. We also found the related disclosures in the financial statements to be adequate.

**Other Matter**

The financial statements of the College for the year ended 31 August 2023 were audited by another auditor in which they expressed a modified opinion in their report dated 30 October 2023.

**Other Information**

The Board of Directors is responsible for the other information which comprises the Directors' Report but does not include the financial statements and our auditor's report thereon.

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

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

**INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF MAJAN COLLEGE SAOG  
(MAJAN UNIVERSITY COLLEGE) (continued)**

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

The management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards and their preparation in compliance with the applicable provisions of the Commercial Companies Law No. 18/2019 of the Sultanate of Oman, and the rules and guidelines issued by the Financial Services Authority of the Sultanate of Oman, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is responsible for overseeing the College's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the College's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the College to cease to continue as a going concern.

**INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF MAJAN COLLEGE SAOG  
(MAJAN UNIVERSITY COLLEGE) (continued)**

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Those Charged With Governance, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Those Charged with Governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with Those Charged with Governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

We report that the financial statements of College comply with the requirements of the Commercial Companies Law No. 18/2019 and the disclosure requirements for public joint stock companies issued by the Financial Services Authority of the Sultanate of Oman, except for the item below:

The College's investment and reinvestments made to its related parties were not approved in the Annual General Meeting. As per Article 135, Decision No. 27/2021 states that the transactions and contracts with the related parties which are not normal or not in the ordinary course of business shall be approved in the Annual General Meeting of the College.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Neil Sturgeon.

*Baker Tilly MKM (Oman) LLC.*

Baker Tilly (MKM) Oman LLC  
Muscat  
Date: 30 October 2024



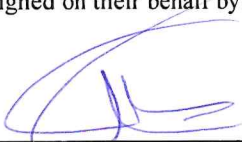
**MAJAN COLLEGE SAOG (MAJAN UNIVERSITY COLLEGE)**

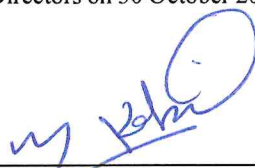
**Statement of financial position**

*As at 31 August 2024*

	<i>Notes</i>	<b>2024</b>	2023
		<b>RO</b>	RO
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	7	<b>3,019,402</b>	3,229,767
Deferred tax asset	26b	<b>286,012</b>	275,285
<b>Total non-current assets</b>		<b><u>3,305,414</u></b>	<u>3,505,052</u>
<b>Current assets</b>			
Fees and other receivables	8	<b>1,433,188</b>	789,351
Investments at amortised cost	9	<b>7,370,730</b>	7,370,730
Investments at fair value through profit and loss (FVTPL)	10	<b>1,259,455</b>	1,275,722
Cash and cash equivalents	11	<b>1,630,863</b>	1,065,295
<b>Total current assets</b>		<b><u>11,694,236</u></b>	<u>10,501,098</u>
<b>Total assets</b>		<b><u>14,999,650</u></b>	<u>14,006,150</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	12	<b>9,000,000</b>	9,000,000
Legal reserve	13	<b>1,712,951</b>	1,621,157
Retained earnings		<b>2,619,230</b>	1,793,087
<b>Total equity</b>		<b><u>13,332,181</u></b>	<u>12,414,244</u>
<b>Non-current liabilities</b>			
Employees' end of service benefits	15	<b>654,463</b>	650,614
Student security deposits	16	<b>253,305</b>	236,755
<b>Total non-current liabilities</b>		<b><u>907,768</u></b>	<u>887,369</u>
<b>Current liabilities</b>			
Trade and other payables	17	<b>586,940</b>	601,511
Income tax payable	26a	<b>172,761</b>	103,026
<b>Total current liabilities</b>		<b><u>759,701</u></b>	<u>704,537</u>
<b>Total liabilities</b>		<b><u>1,667,469</u></b>	<u>1,591,906</u>
<b>Total equity and liabilities</b>		<b><u>14,999,650</u></b>	<u>14,006,150</u>
<b>Net assets per share</b>	18	<b><u>0.148</u></b>	<u>0.138</u>

The financial statements were approved and authorised for issue by the Board of Directors on 30 October 2024 and signed on their behalf by:

  
 \_\_\_\_\_  
**Chairman**

  
 \_\_\_\_\_  
**Chief Executive Officer**

The accompanying notes form part of these financial statements.


**MAJAN COLLEGE SAOG (MAJAN UNIVERSITY COLLEGE)**

**Statement of comprehensive income**

*For the year ended 31 August 2024*

	<i>Notes</i>	<b>2024</b>	2023
		<b>RO</b>	RO
<b>Income</b>			
Fee income	<i>21</i>	<b>4,107,592</b>	3,830,953
Other income	<i>22</i>	<b>143,193</b>	178,792
Investment income	<i>23</i>	<b>457,195</b>	397,202
Foreign exchange gains, net		<b>13,534</b>	183
		<u><b>4,721,514</b></u>	<u>4,407,130</u>
<b>Expenses</b>			
Salaries and staff related costs	<i>24</i>	<b>(2,305,105)</b>	(2,450,159)
General and administrative expenses	<i>25</i>	<b>(1,033,637)</b>	(1,011,789)
Depreciation	<i>7</i>	<b>(271,018)</b>	(329,788)
Allowance for expected credit losses	<i>8 &amp; 11</i>	<b>(31,783)</b>	(27,790)
Finance costs		<u>-</u>	<u>(2,034)</u>
<b>Profit for the year before tax</b>		<b>1,079,971</b>	585,570
Income tax	<i>26c</i>	<b>(162,034)</b>	(84,978)
<b>Net income for the year</b>		<u><b>917,937</b></u>	<u>500,592</u>
Other comprehensive income		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year</b>		<u><b>917,937</b></u>	<u>500,592</u>
<b>Basic and diluted earnings per share</b>		<u><b>0.010</b></u>	<u>0.006</u>

The financial statements were approved and authorised for issue by the Board of Directors on 30 October 2024 and signed on its behalf by:

  
 \_\_\_\_\_  
**Chairman**

  
 \_\_\_\_\_  
**Chief Executive Officer**

The accompanying notes form part of these financial statements.

**MAJAN COLLEGE SAOG (MAJAN UNIVERSITY COLLEGE)**

**Statement of changes in equity**

*For the year ended 31 August 2024*

	Share capital RO	Legal reserve RO	Retained earnings RO	Total RO
<b>2024</b>				
At 1 September 2023	9,000,000	1,621,157	1,793,087	12,414,244
Net profit for the year	-	-	917,937	917,937
Transfer to legal reserve	-	91,794	(91,794)	-
At 31 August 2024	<u>9,000,000</u>	<u>1,712,951</u>	<u>2,619,230</u>	<u>13,332,181</u>
<b>2023</b>				
At 1 September 2022	9,000,000	1,571,098	1,342,554	11,913,652
Net profit for the year	-	-	500,592	500,592
Transfer to legal reserve	-	50,059	(50,059)	-
At 31 August 2023	<u>9,000,000</u>	<u>1,621,157</u>	<u>1,793,087</u>	<u>12,414,244</u>

The accompanying notes form part of these financial statements.

**MAJAN COLLEGE SAOG (MAJAN UNIVERSITY COLLEGE)**

**Statement of cash flows**

*For the year ended 31 August 2024*

	<i>Notes</i>	<b>2024 RO</b>	2023 RO
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from fee income		<b>4,186,620</b>	3,955,795
Cash paid towards expenses		<u>(3,493,151)</u>	<u>(3,179,910)</u>
<b>Cash from operations</b>		<b>693,469</b>	775,885
Income tax paid		<u>(103,026)</u>	<u>(171,002)</u>
<b>Net cash generated from operating activities</b>		<u><b>590,443</b></u>	<u>604,883</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property and equipment	7	<b>(60,800)</b>	(114,423)
Proceeds from disposal of property and equipment		<b>349</b>	252
Addition to Musharaka investment deposits	9	-	(1,087,987)
Maturity of Musharaka investment deposits	9	-	135,900
Interest received from Musharaka investment deposits		-	790,726
Income received from investment deposits		<u><b>35,410</b></u>	<u>24,505</u>
<b>Net cash used in investing activities</b>		<u><b>(25,041)</b></u>	<u>(251,027)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Finance costs paid on short term borrowings		<u>-</u>	<u>(2,034)</u>
<b>Net cash used in investing activities</b>		<u>-</u>	<u>(2,034)</u>
<b>Net change in cash and cash equivalents during the year</b>		<b>565,402</b>	351,822
Cash and cash equivalents at the beginning of the year		<b>1,065,651</b>	713,829
<b>Cash and cash equivalents at the end of the year</b>		<u><b>1,631,053</b></u>	<u>1,065,651</u>
<b>Comprises:</b>			
Cash on hand		<b>2,808</b>	1,062,816
Cash in bank		<u><b>1,628,245</b></u>	<u>2,835</u>
Total		<b>1,631,053</b>	1,065,651
Less: allowance for expected credit losses	27.2	<u>(190)</u>	<u>(356)</u>
<b>Cash and cash equivalents at the end of the year</b>	11	<u><b>1,630,863</b></u>	<u>1,065,295</u>

The accompanying notes form part of these financial statements.

## **MAJAN COLLEGE SAOG (MAJAN UNIVERSITY COLLEGE)**

### **Notes to the financial statements**

*For the year ended 31 August 2024*

#### **1 Legal status and principal activities**

Majan College SAOG (Majan University College) (the College) is a Public Joint Stock Company (SAOG) incorporated and domiciled on 17 December 1995 in the Sultanate of Oman in accordance with the Commercial Companies Law of 1974 as amended, and replaced by the Commercial Companies Law promulgated by the Royal Decree No. 18/2019.

The College's registered office and principal address is P.O. Box 710, Ruwi, Postal Code 112, the Sultanate of Oman. The College's shares are listed on the Muscat Stock Exchange.

The College is a subsidiary of Human Investment LLC, an Oman based company, whose registered address is P.O. Box 1814, Postal Code 112, Muscat, the Sultanate of Oman.

The College is engaged in the fields of management sciences, scientific research and providing education to students in the Sultanate of Oman.

#### **2 Academic Affiliation**

University of Bedfordshire – UK

The College has entered into an Academic Affiliation Agreement with the University of Bedfordshire in the United Kingdom (the UOB Agreement), for validating the College's undergraduate programs leading to the awards of bachelors' degrees in business, English language and Information Technology disciplines. Additionally, the College has another agreement with the University of Bedfordshire for hosting its master programs in Business Administration, Computer Sciences and Information Technology, International Human Resources Management and Applied Linguistics. In accordance with the UOB aforementioned Agreements, the College is required to pay an annual affiliation fee per semester that is based on the number of students and certain other criteria.

#### **3 Basis of preparation**

##### **a) Statement of compliance**

These financial statements have been prepared in accordance with International Financial Reporting Standards-Accounting Standards (IFRS Accounting Standards) as promulgated by the International Accounting Standards Board (IASB), Interpretations issued by the International Financial Reporting Interpretations Committee (the Committee), the requirements of the Commercial Companies Law No. 18/2019 of the Sultanate of Oman, and relevant disclosures requirements for Public Joint Stock Companies issued by the Financial Services Authority (FSA) of the Sultanate of Oman.

##### **b) Basis of measurement**

These financial statements have been prepared on the historical cost and accrual basis, except for certain financial instruments which are measured at fair value.

##### **c) Functional currency**

These financial statements are presented in RO since this is the functional currency of the College and since most of the transactions are denominated in RO.

## MAJAN COLLEGE SAOG (MAJAN UNIVERSITY COLLEGE)

### Notes to the financial statements

For the year ended 31 August 2024

#### 3 Basis of preparation (continued)

#### 4 Adoption of new and amended IFRS accounting standards

##### New standards, amendments and interpretations to existing IFRS effective 1 September 2023

- The College has adopted all approved new Standards and amendments for the first time for annual reporting period beginning from 1 September 2023, which has accounted for and disclosed only the relevant and applicable Standards and amendments:
- IFRS 17 Insurance Contracts and Amendments to IFRS 17
- Amendments to IAS 8: Definition of Accounting Estimates
- Amendment to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies.
- Amendment to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction.
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current.
- IFRS S1 : General Requirements for Disclosure of Sustainability-related Financial Information.
- IFRS S2 : Climate-related Disclosures.
- Amendments to IFRS 16: Leases.
- Amendments to IAS 1: Presentation of Financial Statements.
- Amendments to IAS 1 and IFRS 7: Supplier Finance Arrangements.

##### **Standards, amendments and interpretations to existing IFRS accounting standards that are not yet effective**

The forthcoming requirements of new standards and amendments to existing standards are applicable for future reporting periods.

<b>Standards/ amendments to standards</b>	<b>Effective date</b>
- Amendments to IAS 21: Lack of Exchangeability.	1 January 2025
- IFRS 18: Presentation and Disclosure in the Financial Statements.	1 January 2027
- IFRS 19: Subsidiary without Public Accountability.	1 January 2027

The management believes that adoption of the new standards, amendments and interpretations, which are in issue but not yet effective, is not likely to have any material impact on the recognition, measurement, presentation and disclosure of items in the financial statements for current and future periods and foreseeable future transactions.

## MAJAN COLLEGE SAOG (MAJAN UNIVERSITY COLLEGE)

### Notes to the financial statements

For the year ended 31 August 2024

#### 5 Summary of material accounting policies

##### a. Property and equipment

Property and equipment, other than land, are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following useful lives are used for the depreciation of property and equipment:

Buildings	15 Years
Motor vehicles	5 Years
Furniture and fittings	5 Years
Computers and software	5 Years
Library books	5 Years

Freehold land is not depreciated as it is deemed to have an infinite life.

If there is any indication that there has been a significant change in the depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect new expectations.

Any gain or loss arising on disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the assets and is recognized in the statement of comprehensive income.

##### b. Capital work-in-progress

Capital work-in-progress is stated at cost less any impairment losses. When commissioned, capital work-in-progress is transferred to the appropriate property and equipment category and depreciated in accordance with depreciation policies.

##### c. Financial instruments

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

###### *Financial assets*

Except for those fees receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable). Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

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

## MAJAN COLLEGE SAOG (MAJAN UNIVERSITY COLLEGE)

### Notes to the financial statements

For the year ended 31 August 2024

#### 5 Summary of material accounting policies (continued)

##### c. Financial instruments (continued)

The above classification is determined by both:

- the College's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

##### *Financial assets at amortized cost*

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

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

After initial recognition, these are measured at amortized cost using the effective interest rate method.

The College's cash and cash equivalents, investment at amortised cost, and fees and other receivables, fall into this category of financial instruments.

##### *Financial assets at fair value through profit and loss (FVTPL)*

Financial assets at FVTPL includes all financial assets not classified and measured under amortised cost or FVTOCI. They can be initially measured at cost and are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

##### *Financial liabilities*

All financial liabilities are initially measured at fair value and are subsequently measured at amortized cost.

##### d. Impairment

##### *Financial assets*

IFRS 9's impairment requirements use forward-looking information to recognize expected credit losses – the expected credit loss (ECL) model. The College considers a broad range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, and reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

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

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk (Stage 1);
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low (Stage 2); and
- Stage 3 which covers financial assets that have objective evidence of impairment at the reporting date (Stage 3).

## MAJAN COLLEGE SAOG (MAJAN UNIVERSITY COLLEGE)

### Notes to the financial statements

For the year ended 31 August 2024

#### 5 Summary of material accounting policies (continued)

##### d. Impairment (continued)

###### *Financial assets (continued)*

12-month expected credit losses are recognized for the first category while “lifetime expected credit losses” are recognized for the second category.

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

###### *Non-financial assets*

At the end of each reporting year, the management assesses if there is any indication of impairment of non-financial assets. If an indication exists, the management estimates the recoverable amount of the asset and recognizes an impairment loss in the statement of comprehensive income. The management also assesses whether there is any indication that an impairment loss recognized in prior years no longer exists or has reduced. The resultant impairment loss or reversals are recognized immediately in the statement of comprehensive income.

##### e. Fees and other receivables

A receivable represents the College’s right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Other receivables originated by the College are measured at cost. Receivables are stated at original invoice amount less provision as per the expected credit loss model as required under IFRS 9. Bad debts are written off when there is no possibility of recovery.

The College makes use of a simplified approach in accounting for expected credit losses and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating the provision, the College uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The carrying values of fees receivables approximate their fair values due to the short-term nature of those receivables.

##### f. Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at bank, and short-term deposits which are subject to an insignificant risk of changes in value.

##### g. Legal reserve

As required by the Commercial Companies Law No. 18/2019, 10% of the annual profit, regardless of accumulated losses, is transferred to a legal reserve, until the amount of the legal reserve reaches one third of the paid-up capital of the College. The reserve is not available for distribution unless there is a restructuring or liquidation.

## MAJAN COLLEGE SAOG (MAJAN UNIVERSITY COLLEGE)

### Notes to the financial statements

For the year ended 31 August 2024

#### 5 Summary of material accounting policies (continued)

##### h. Staff termination benefits

The provision for employees' termination benefits is based upon the liability accrued in accordance with the terms of employment of the College's employees at the reporting date with regard to the requirements of the Oman Labor Law and the Social Security Law, issued by way of the Royal Decree 53/2024, dated 25 July 2023.

##### *Government of Oman Social Insurance Scheme (the Scheme)*

The College contributes to the Scheme for all Omani employees. The Scheme, which is a defined contributions retirement plan, is administered by the Government of Oman. The College and Omani employees are required to make monthly contributions to the Scheme at 12.5% and 8% respectively, of gross salaries.

##### *Non-Omani employee termination benefits*

The provision for end of service benefits for non-Omani employees up to the previous reporting period was made in accordance with the requirements of the Oman Labor Law of 2003. Employees are entitled to end of service benefits calculated at the rate of 15 days basic salary for each of the first three years of continuous service and at a rate of 30 days basic salary for each year of continuous service following the first three years. However, the employees hired earlier than 2002 are entitled to end of service benefits calculated at the rate of 30 days basic salary for each year of continuous service following the date of joining.

For the year ended 31 August 2024, the provision is made as per the requirements of the Oman Labor Law of 2023. Accordingly, the employees are entitled to end of service benefits calculated at the rate of 30 days basic salary for each of the years of continuous service following the date of joining.

This is an unfunded defined benefits retirement plan. Accrued non-Omani staff terminal benefits are payable on termination of employment.

##### j. Leases

The College assesses whether a contract is or contains a lease, at inception of the contract. The College recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements other than the two exempted leases which are short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these exempted leases, the College recognizes the lease payments as an operating expense on a straight-line basis over the terms of the leases unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the College expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

## MAJAN COLLEGE SAOG (MAJAN UNIVERSITY COLLEGE)

### Notes to the financial statements

For the year ended 31 August 2024

#### 5 Summary of material accounting policies (continued)

h. **Leases (continued)**

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the College lessee uses its incremental borrowing rate.

The College applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the impairment of non-financial assets policy.

i. **Provisions, contingent liabilities and contingent assets**

Provisions are recognized when present obligations will probably lead to an outflow of economic resources from the College and they can be estimated reliably. The timing or amount of the outflow may still be uncertain.

A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events, for example, legal disputes or onerous contracts. Restructuring provisions are recognized only if a detailed formal plan for the restructuring has been developed and implemented, or the Management has at least announced the plan's main features to those affected by it. Provisions are not recognized for future operating losses.

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

Any reimbursement that can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate of the College's Management. In those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, no liability is recognized.

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

j. **Contract liabilities**

A contract liability is the obligation to transfer services to a student for which the College has received consideration (or an amount of consideration is due) from the student. If a student pays consideration before the College transfers services to the student, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the College performs under the contract.

## MAJAN COLLEGE SAOG (MAJAN UNIVERSITY COLLEGE)

### Notes to the financial statements

For the year ended 31 August 2024

#### 5 Summary of material accounting policies (continued)

##### k. Fee income

The College is in the business of providing higher education programs affiliated with the University of Bedfordshire in different disciplines. The College follows a 5-step process:

- 1 Identifying the contract with a customer;
- 2 Identifying the performance obligations;
- 3 Determining the transaction price;
- 4 Allocating the transaction price to the performance obligations; and
- 5 Recognizing revenue when/as performance obligation(s) are satisfied.

The College has various disciplines and programs that includes Higher Education Diplomas, Bachelors' degree, Masters' degrees, CMA and ACCA professional courses. All services of the College are separate, therefore are considered distinct and separate performance obligations.

Revenue from contracts with customers is recognized over a period of time when the service has been consumed by the student. The service is considered to be consumed when the tuition hours are provided. The College's revenue comprises tuition fees of the course chosen by the student, measured by reference to the fair value of consideration received or receivable by the College for services provided. Revenue earned upon the initiation of the semester courses is realized on an accrual basis in the statement of comprehensive income.

##### l. Other income

Other income comprises hostel fee income, accreditation of prior learning income, profit on disposal of property and equipment and other miscellaneous income, recognized in the statement of comprehensive income on the accrual basis or when the College's right to receive the payment is established.

##### m. Operating expenses

Operating expenses are recognized in the statement of comprehensive income upon utilization of the service or at the date of their origin.

##### n. Related parties

A related party is a person or an entity that is related to the College:

A person or a close member of that person's family is related to the College if that person has control, joint control, or significant influence over the College or is a member of its key management personnel.

An entity is related to the College if, among other circumstances, it is a parent, subsidiary, fellow subsidiary, associate, or joint venture of the College, or it is controlled, jointly controlled, or significantly influenced or managed by a person who is a related party.

##### o. Foreign currencies

The RO is the functional and presentation currency of the College. Any currency other than the functional currency is considered as a foreign currency. Transactions in foreign currencies are translated to the RO at the rate of exchange prevailing on the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to RO using the closing rate at the reporting date.

## MAJAN COLLEGE SAOG (MAJAN UNIVERSITY COLLEGE)

### Notes to the financial statements

For the year ended 31 August 2024

#### 5 Summary of material accounting policies (continued)

##### p. Foreign currencies (continued)

An exchange difference on settlement of monetary items or on translation is recognized in the statement of comprehensive income.

##### o. Taxation

Income tax on the profit or loss for the year comprises current and deferred taxation. Income tax is recognized in the statement of comprehensive income except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which unused tax losses and credits can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the College expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

##### r. Dividends

The Board of Directors recommends to the shareholders dividends to be paid out of the College's profits. The Directors consider appropriate parameters including the requirements of the Commercial Companies Law No. 18/2019 of the Sultanate of Oman when recommending dividends. Dividends are recognized in the year in which these are declared by the Board of Directors and are approved by the shareholders.

##### s. Directors' remuneration

The College has an internal policy to calculate Directors' remuneration. The College considers the Commercial Companies Law of the Sultanate of Oman No. 18/2019, such as amended, and other latest relevant directives issued by the Financial Services Authority, with regards to determination of the amount to be paid as Directors' remuneration. Directors' remuneration is charged to the statement of comprehensive income in the year to which it relates.

## MAJAN COLLEGE SAOG (MAJAN UNIVERSITY COLLEGE)

### Notes to the financial statements

For the year ended 31 August 2024

#### 5 Summary of material accounting policies (continued)

##### t. Fair values

A number of the College's accounting policies and disclosures require determination of fair value, for both financial and non-financial assets and liabilities. The fair values of the financial instruments are not materially different from their carrying values.

#### 6 Significant accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the College's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the period of the revision and future years if the revision affects both current and future years.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are as follows:

##### a) *Useful lives and residual values of property and equipment*

Management reviews the useful lives of depreciable assets at each reporting date. At each expiry date, management assesses that the useful lives represent the expected utility of the assets to the College. The carrying amounts are mentioned in note 7. Actual results, however, may vary due to technical obsolescence.

##### b) *Provision for expected credit losses of fees receivables*

The College uses a provision matrix to calculate ECL of fees receivables. The provision rates are based on days past due for groupings of various students' segments that have similar loss patterns.

The provision matrix is initially based on the College's historical observed default rates. The College calibrates the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the sector in which the students of the College operate, the historical default rates are adjusted. At every reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historically observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The College's historical credit loss experience and forecast of economic conditions may also not be representative of students' actual default in the future. The information about the ECL on the College's fees receivables is disclosed in notes 8 and 27.2.

**MAJAN COLLEGE SAOG (MAJAN UNIVERSITY COLLEGE)**

**Notes to the financial statements**

*For the year ended 31 August 2024*

**6 Significant accounting judgments, estimates and assumptions (continued)**

c) *Going concern*

The College's management has assessed the College's ability to continue as a going concern and is satisfied that the College has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the College's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

MAJAN COLLEGE SAOG (MAJAN UNIVERSITY COLLEGE)

Notes to the financial statements  
For the year ended 31 August 2024

7 Property and equipment

	Land RO	Building RO	Motor vehicles RO	Furniture and fittings RO	Computers and software RO	Library books RO	Capital work in progress RO	Total RO
<b>Cost:</b>								
At 1 September 2023	1,153,509	4,401,469	52,300	1,185,926	688,675	280,346	-	7,762,225
Additions	-	-	-	14,913	37,369	6,963	1,555	60,800
Disposals	-	-	-	(6,342)	(51,760)	(159)	-	(58,261)
At 31 August 2024	1,153,509	4,401,469	52,300	1,194,497	674,284	287,150	1,555	7,764,764
<b>Accumulated depreciation:</b>								
At 1 September 2023	-	2,586,715	52,300	1,048,210	567,061	278,172	-	4,532,458
Charge for the year	-	168,850	-	47,800	52,480	1,888	-	271,018
Disposals	-	-	-	(6,342)	(51,760)	(12)	-	(58,114)
At 31 August 2024	-	2,755,565	52,300	1,089,668	567,781	280,048	-	4,745,362
<b>Net carrying amount:</b>								
At 31 August 2024	1,153,509	1,645,904	-	104,829	106,503	7,102	1,555	3,019,402

**MAJAN COLLEGE SAOG (MAJAN UNIVERSITY COLLEGE)**

**Notes to the financial statements**  
For the year ended 31 August 2024

**7 Property and equipment (continued)**

	Land RO	Building RO	Motor vehicles RO	Furniture and fittings RO	Computer and software RO	Library books RO	Capital work in progress RO	Total RO
<b>Cost:</b>								
At 1 September 2022	1,153,509	4,488,160	52,300	1,111,648	685,003	347,430	-	7,838,050
Additions	-	-	-	75,388	37,893	1,142	-	114,423
Disposals	-	(86,691)	-	(1,110)	(34,221)	(68,226)	-	(190,248)
At 31 August 2023	1,153,509	4,401,469	52,300	1,185,926	688,675	280,346	-	7,762,225
<b>Accumulated depreciation:</b>								
At 1 September 2022	-	2,446,280	52,300	1,006,625	540,211	344,013	-	4,389,429
Charge for the year	-	223,637	-	42,695	61,071	2,385	-	329,788
Disposals	-	(83,202)	-	(1,110)	(34,221)	(68,226)	-	(186,759)
At 31 August 2023	-	2,586,715	52,300	1,048,210	567,061	278,172	-	4,532,458
<b>Net carrying amount:</b>								
At 31 August 2023	1,153,509	1,814,754	-	137,716	121,614	2,174	-	3,229,767

The land comprises the value of the College's campus land and the acquisition cost of the student hostel land. The College's campus land and building were provided as non-monetary Government grants by the Sultanate of Oman. At the time of the grant, the campus land and buildings were valued at RO 650,000 and RO 200,000, respectively. The College must obtain prior approval from the Government of the Sultanate of Oman before taking any actions related to this grant.

**MAJAN COLLEGE SAOG (MAJAN UNIVERSITY COLLEGE)**

**Notes to the financial statements**

*For the year ended 31 August 2024*

**8 Fees and other receivables**

	2024 RO	2023 RO
<b>Financial assets:</b>		
Fees receivable	1,754,190	1,563,246
Less: allowance for expected credit losses (note 8.1)	<u>(1,132,190)</u>	<u>(1,100,240)</u>
	<u>622,000</u>	<u>463,006</u>
Other receivables	69,682	73,134
Accrued investment income	455,600	-
	<u>525,282</u>	<u>73,134</u>
Accrued interest on investments at amortised cost	141,902	151,760
Less: allowance for expected credit losses (note 27.2)	<u>(32)</u>	<u>(34)</u>
	<u>141,870</u>	<u>151,726</u>
<b>Non-financial assets:</b>		
Prepayments	144,036	101,485
	<u>1,433,188</u>	<u>789,351</u>

The credit period of the student fees receivable is between the beginning and completion of each semester and not subject to interest.

8.1 The movement in allowance for expected credit loss of fees receivables is as follows (note: 27.2):

Balance at the beginning of the year	1,100,240	1,072,162
Provided for the year	31,950	28,078
Balance at the end of the year	<u>1,132,190</u>	<u>1,100,240</u>

**9 Investment at amortised cost**

	2024 RO	2023 RO
Balance at the beginning of the year	7,372,389	6,420,302
Additions	-	1,087,987
Maturity	-	(135,900)
Balance at the end of the year	<u>7,372,389</u>	<u>7,372,389</u>
Less: allowance for expected credit losses	<u>(1,659)</u>	<u>(1,659)</u>
	<u>7,370,730</u>	<u>7,370,730</u>

Investment at amortised cost represents an investment placed with Human Investment and Training Corporation, Kuwait, a related party, under a Musharaka scheme, maturing within one year and carries expected profit at the rate of 6% per annum (2023: 6% per annum).

**MAJAN COLLEGE SAOG (MAJAN UNIVERSITY COLLEGE)**

**Notes to the financial statements**

*For the year ended 31 August 2024*

**10 Investments at fair value through profit and loss (FVTPL)**

	2024 RO	2023 RO
<b>Quoted investments (Level 1)</b>		
Financial services	32,997	38,439
Others	<u>7,950</u>	<u>26,928</u>
	<u>40,947</u>	<u>65,367</u>
<b>Unquoted investments (Level 2)</b>		
Oil & gas	88,489	87,897
Real estate	775,216	770,029
Financial services	<u>354,803</u>	<u>352,429</u>
	<u>1,218,508</u>	<u>1,210,355</u>
	<u>1,259,455</u>	<u>1,275,722</u>
10.1 Movement in investments at FVTPL during the year was as follows:		
Balance at the beginning of the year	1,275,722	1,322,350
Unrealised loss on fair value changes of investments (note 23)	<u>(23,815)</u>	<u>(46,612)</u>
Foreign exchange changes	7,548	(16)
Balance at the end of the year	<u>1,259,455</u>	<u>1,275,722</u>
10.2 The geographical distribution of the investments in notes 9 and 10 is as follows:		
GCC	8,622,235	8,619,524
Other than GCC	<u>7,950</u>	<u>26,928</u>
	<u>8,630,185</u>	<u>8,646,452</u>
10.3 The fair value hierarchy of the investments is as follows:		
Amortised cost	7,370,730	7,370,730
Level 1	40,947	65,367
Level 2	<u>1,218,508</u>	<u>1,210,355</u>
	<u>8,630,185</u>	<u>8,646,452</u>

**MAJAN COLLEGE SAOG (MAJAN UNIVERSITY COLLEGE)**

**Notes to the financial statements**  
For the year ended 31 August 2024

**11 Cash and cash equivalents**

	2024 RO	2023 RO
<b>Maturing within three months</b>		
Cash in bank	1,628,245	1,062,816
Less: allowance for expected credit losses (note 27.2)	<u>(190)</u>	<u>(356)</u>
	<b>1,628,055</b>	<b>1,062,460</b>
Cash on hand	<u>2,808</u>	<u>2,835</u>
Balance at the end of the year	<b><u>1,630,863</u></b>	<b><u>1,065,295</u></b>

The movement in allowance for expected credit losses of cash in bank is as follows:

Balance at the beginning of the year	356	864
Reversed during the year	<u>(166)</u>	<u>(508)</u>
Balance at the end of the year	<b><u>190</u></b>	<b><u>356</u></b>

**12 Share capital**

	2024 RO	2023 RO
<b>Authorised share capital</b>		
150,000,000 authorised share capital of RO 0.1 each	<u>15,000,000</u>	<u>15,000,000</u>
<b>Subscribed and paid-up share capital</b>		
90,000,000 fully paid-up share capital of RO 0.1 each	<u>9,000,000</u>	<u>9,000,000</u>

**Significant shareholders**

Details of shareholders of the College who own 10% or more of the College's shares at the end of the reporting period, whether in their name, or through a nominee account, and the number of shares they hold are as follows:

Name of shareholder	2024		2023	
	Percentage	Shares held	Percentage	Shares held
Human Investment LLC - Oman	76.43%	68,784,230	76.43%	68,784,230
Oman Chamber of Commerce and Industry	10.53%	9,480,000	10.53%	9,480,000

## MAJAN COLLEGE SAOG (MAJAN UNIVERSITY COLLEGE)

### Notes to the financial statements

For the year ended 31 August 2024

#### 13 Legal reserve

As per the Commercial Companies Law of the Sultanate of Oman, an annual appropriation of 10% of a College's net profit is to be made to a non-distributable legal reserve, until the amount of legal reserve becomes equal to one-third of the amount of issued share capital. This reserve is not available for distribution. During the year, RO 91,794 was transferred to legal reserve (2023: RO 50,059).

#### 14 Dividends paid and proposed

No dividend has been proposed during the year.

#### 15 Employees' end of service benefits

In accordance with the requirements of Oman Labour Laws, the College has provided for end of service benefits for its non-Omani employees. The movement in end of service benefits for the year is as follows:

	2024 RO	2023 RO
Balance at the beginning of the year	650,614	566,933
Provided for the year	61,259	134,383
Payments during the year	<u>(57,410)</u>	<u>(50,702)</u>
Balance at the end of the year	<u>654,463</u>	<u>650,614</u>

#### 16 Student security deposits

Students' security deposits amounting to RO 253,305 (2023: RO 236,755) include refundable deposits collected from students at the time of registration. These have not been carried at amortised cost as the effect of the discounting is not considered material.

#### 17 Trade and other payables

	2024 RO	2023 RO
<b>Financial liabilities:</b>		
Trade payables	202,320	318,589
Withholding tax payable	11,605	20,898
Other accrued expenses	<u>40,175</u>	<u>47,300</u>
	<u>254,100</u>	<u>386,787</u>
<b>Non-financial liabilities:</b>		
Air passage and leave salaries	41,575	33,889
Advance tuition fees	287,044	176,139
Other advance income	<u>4,221</u>	<u>4,696</u>
	<u>332,840</u>	<u>214,724</u>
	<u>586,940</u>	<u>601,511</u>

## MAJAN COLLEGE SAOG (MAJAN UNIVERSITY COLLEGE)

### Notes to the financial statements For the year ended 31 August 2024

#### 18 Net assets per share

Net assets per share is calculated by dividing the net assets at the end of the reporting year by the number of shares outstanding, as follows:

	2024	2023
Net assets value (RO)	13,332,180	12,414,244
Number of shares outstanding	<u>90,000,000</u>	<u>90,000,000</u>
Net assets value per share (RO)	<u>0.148</u>	<u>0.138</u>

#### 19 Basic earnings per share

Earnings per share is calculated by dividing the profit for the year by the weighted average number of shares outstanding during the year, as follows:

	2024	2023
Profit for the year (RO)	917,937	500,592
Weighted average number of ordinary shares	<u>90,000,000</u>	<u>90,000,000</u>
Basic and diluted earnings per shares (RO)	<u>0.010</u>	<u>0.006</u>

#### 20 Related party transactions

The College's related parties include its key management personnel and business entities who have the ability to control or exercise significant influence in financial and operating decisions. Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Key management personnel of the College is the Executive Management. The nature of significant related party transactions and the amounts involved during the year are presented below:

	2024 RO	2023 RO
Income from investments at amortised cost	445,600	419,674
Addition to Musharaka investment deposits (note 9)	-	1,087,987
Maturity of Musharaka investment deposits (note 9)	<u>-</u>	<u>(135,900)</u>
<b>Key management personnel compensation:</b>		
Salaries and related costs	290,354	295,457
Board sitting fees	21,700	22,950
Board of Trustees meetings fees	<u>600</u>	<u>800</u>
	<u>313,654</u>	<u>319,207</u>

**MAJAN COLLEGE SAOG (MAJAN UNIVERSITY COLLEGE)**

**Notes to the financial statements**

*For the year ended 31 August 2024*

**21 Fee income**

	2024 RO	2023 RO
Undergraduate income	4,663,426	4,258,408
Post graduate income	419,020	389,749
Less: discounts allowed	<u>(974,854)</u>	<u>(817,204)</u>
	<u>4,107,592</u>	<u>3,830,953</u>

**22 Other income**

	2024 RO	2023 RO
Hostel income	80,820	111,480
Rental income	28,022	28,083
Accreditation of prior learning income	21,390	15,240
Gain/(loss) on disposal of property and equipment	204	(3,237)
Miscellaneous income	<u>12,757</u>	<u>27,226</u>
	<u>143,193</u>	<u>178,792</u>

**23 Investment income**

	2024 RO	2023 RO
Income on investments at amortised cost and cash at bank	481,010	443,814
Unrealised loss on fair value changes of investments at FVTPL (note 10.1)	<u>(23,815)</u>	<u>(46,612)</u>
	<u>457,195</u>	<u>397,202</u>

**24 Salaries and staff related costs**

	2024 RO	2023 RO
Salaries and other allowances	1,995,045	2,060,562
Contributions to social security fund	106,665	105,519
Employees' end of service benefits (note: 15)	61,259	134,383
Other benefits	<u>142,136</u>	<u>149,695</u>
	<u>2,305,105</u>	<u>2,450,159</u>

**MAJAN COLLEGE SAOG (MAJAN UNIVERSITY COLLEGE)**

**Notes to the financial statements**

*For the year ended 31 August 2024*

**25 General and administrative expenses**

	2024 RO	2023 RO
Postgraduate affiliation fees	168,243	179,678
Undergraduate affiliation fees	167,326	146,715
Utility expenses	132,893	151,431
Repairs and maintenance	122,580	124,646
Software license fees	99,297	83,434
Legal and professional fees	97,329	61,105
Rent expenses	52,012	50,192
Advertising	48,172	66,917
Fuel, travelling and hotel expenses	30,114	32,101
Board meetings fees	21,700	22,950
Bank charges	13,694	11,882
Insurance	13,592	6,985
Stationery and printing	12,728	5,570
Student activities expenses	10,751	8,470
Board of Trustees meetings fees	5,050	4,250
Graduation ceremony expenses	1,147	20,048
Miscellaneous	37,009	35,415
	<u>1,033,637</u>	<u>1,011,789</u>

**26 Taxation**

The College is liable to pay tax at the rate of 15% on its taxable income in accordance with the income tax law of the Sultanate of Oman (2023: 15%).

The computation of income tax and deferred tax calculated is as follows:

**Recognized in the statement of financial position:**

**a) Income tax payable**

	2024 RO	2023 RO
Balance at the beginning of the year	103,026	171,002
Provision for the current year	172,761	105,904
Tax incentive	-	(2,878)
Payments made	<u>(103,026)</u>	<u>(171,002)</u>
Balance at the end of the year	<u>172,761</u>	<u>103,026</u>

**b) Deferred tax asset**

Balance at the beginning of the year	275,285	257,237
Recognised for the year	<u>10,727</u>	<u>18,048</u>
Balance at the end of the year	<u>286,012</u>	<u>275,285</u>

**MAJAN COLLEGE SAOG (MAJAN UNIVERSITY COLLEGE)**

**Notes to the financial statements**

*For the year ended 31 August 2024*

**26 Taxation (continued)**

**b) Deferred tax asset (continued)**

The deferred tax asset in the statement of financial position and deferred tax (charged)/recognised in the statement of comprehensive income are attributable to the following items:

<b>31 August 2024</b>	<b>As at 1 September 2023</b>	<b>Recognized</b>	<b>As at 31 August 2024</b>
	<b>RO</b>	<b>RO</b>	<b>RO</b>
Property and equipment	116,877	3,494	120,371
Provisions and fair value adjustments	158,408	7,233	165,641
<b>Total deferred tax asset</b>	<b>275,285</b>	<b>10,727</b>	<b>286,012</b>

<b>31 August 2023</b>	<b>As at 1 September 2022</b>	<b>Recognized</b>	<b>As at 31 August 2023</b>
	<b>RO</b>	<b>RO</b>	<b>RO</b>
Property and equipment	110,035	6,842	116,877
Provisions and fair value adjustments	147,202	11,206	158,408
<b>Total deferred tax asset</b>	<b>257,237</b>	<b>18,048</b>	<b>275,285</b>

**Recognized in the statement of comprehensive income:**

**c) Income tax**

	<b>2024</b>	<b>2023</b>
	<b>RO</b>	<b>RO</b>
Current period tax	172,761	105,904
Deferred tax asset	(10,727)	(18,048)
Tax incentive	-	(2,878)
	<b>162,034</b>	<b>84,978</b>

	<b>2024</b>	<b>2023</b>
	<b>RO</b>	<b>RO</b>
Accounting profit	1,079,971	585,570
Tax on accounting profit @ 15%	161,996	87,836
Add: disallowed expenses (tax effect)	49,056	61,179
Less: allowable expenses (tax effect)	(38,291)	(43,111)
	172,761	105,904
Loss carryforward tax credit	-	-
Current tax charge	<b>172,761</b>	<b>105,904</b>

**d) Current status of tax assessments**

Tax assessments of the College have been completed up to the year 2021. Management is of the view that, additional taxes, if any, which may become payable on the completion of assessments of the open years, would not be significant to the financial position of the College at the reporting date.

## MAJAN COLLEGE SAOG (MAJAN UNIVERSITY COLLEGE)

### Notes to the financial statements

For the year ended 31 August 2024

#### 27 Financial instruments risk

##### Risk management objectives and policies

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

##### 27.1 Market risk analysis

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market.

The College is not significantly exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which results from its operating activities.

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Most of the College's transactions are carried out in the RO. Exposure to currency exchange rates arise from the College's overseas transactions, which are primarily denominated in US Dollar (USD), Kuwaiti Dinar (KWD) and Great Britain Pound (GBP).

To mitigate the College's exposure to foreign currency risk, non-RO cash flows are monitored.

##### Interest rate sensitivity

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The College's policy is to minimise interest rate cash flow risk exposures on long term financing.

The College has term deposits and investment at amortized cost that yield interest. However, they are not subject to variations as the rates are fixed.

##### 27.2 Credit risk analysis

Credit risk is the risk of financial loss to the College if a students or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the College's receivables from students and cash at bank.

##### Credit risk management

The credit risk is managed on a group basis based on the College's credit risk management policies and procedures. The credit risk in respect of cash balances held with banks are managed via balances held with major reputable financial institutions.

The credit terms range up to 7 months for fees receivable, the period of one semester offered at the College.

The credit terms for students are negotiated subject to instalment payments within the semester period. The ongoing credit risk is managed through receipt of advance payments confirmation from the Ministry of Higher Education for scholarship students and Private or Public sponsors for sponsorship students. The students on a credit basis are regularly reviewed for ageing analysis, together with credit limits per student.

**MAJAN COLLEGE SAOG (MAJAN UNIVERSITY COLLEGE)**

**Notes to the financial statements**

*For the year ended 31 August 2024*

**27 Financial instruments risk (continued)**

**27.2 Credit risk analysis (continued)**

**Expected credit loss of cash at bank and investment at amortised cost**

The cash at bank is considered to be a low-risk item and the College applies the IFRS 9, 12 months Expected Credit Loss (ECL) method. The expected credit loss on cash at bank is calculated based on the credit ratings given by an external credit rating agency. The Probability of Default (PD) is considered based on the historical data of the credit ratings. Should a case of default occur, the College is exposed to 100% amount held with the bank. Therefore, the Loss Given Default (LGD) reflects the same assumption.

<b>Credit rating</b>	<b>Exposure at year end RO</b>	<b>ECL RO</b>
<b>31 August 2024</b>		
Cash and cash equivalents	1,628,245	190
Investment at amortised cost	7,372,389	1,659
Accrued interest on investments at amortised cost	141,902	32
	<u>9,142,536</u>	<u>1,881</u>
<b>31 August 2023</b>		
Cash and cash equivalents	1,062,816	356
Investment at amortised cost	7,372,389	1,660
Accrued interest on investments at amortised cost	151,760	34
	<u>8,586,965</u>	<u>2,050</u>

**Expected credit loss of fees receivables**

The College applies the IFRS 9 simplified model of recognising lifetime expected credit losses for fees receivables (except from contractual balances due from the Ministry of Higher Education), as these items do not have a significant financing component.

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

Loss rates are calculated using a 'roll rates' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on the following common credit risk characteristics.

Loss rates are based on actual credit loss experience over the past years. These are then adjusted for the current economic outlook of the geographical region to which the receivables belong.

**MAJAN COLLEGE SAOG (MAJAN UNIVERSITY COLLEGE)**

**Notes to the financial statements**

*For the year ended 31 August 2024*

**27 Financial instruments risk (continued)**

**27.2 Credit risk analysis (continued)**

**Expected credit loss of fees receivables (continued)**

<b>31 August 2024</b>	<b>Gross carrying amount RO</b>	<b>Loss allowance RO</b>
Not past due	494,348	1,825
1 – 2 years past due	50,985	10,707
2 – 3 years past due	61,164	32,152
3 – 4 years past due	74,466	49,147
4 – 5 years past due	94,821	75,857
More than 5 years past due	<u>978,406</u>	<u>962,502</u>
	<u><b>1,754,190</b></u>	<u><b>1,132,190</b></u>
<b>31 August 2023</b>	<b>Gross carrying amount RO</b>	<b>Loss Allowance RO</b>
Not past due	310,988	1,164
1 – 2 years past due	43,351	8,999
2 – 3 years past due	106,743	47,913
3 – 4 years past due	100,459	66,303
4 – 5 years past due	51,338	39,868
More than 5 years past due	<u>950,367</u>	<u>935,993</u>
	<u><b>1,563,246</b></u>	<u><b>1,100,240</b></u>

**27.3 Liquidity risk analysis**

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

The College's maximum exposure to liquidity risk is limited to the carrying amount of financial liabilities recognized at the reporting date, as summarized below:

	<b>2024 RO</b>	<b>2023 RO</b>
<b>Non-interest bearing:</b>		
Student security deposits (note 16)	<b>253,305</b>	236,755
Trade payables and accruals (note 17(a))	<u><b>254,100</b></u>	<u>386,787</u>
	<u><b>548,980</b></u>	<u>657,431</u>

**MAJAN COLLEGE SAOG (MAJAN UNIVERSITY COLLEGE)****Notes to the financial statements***For the year ended 31 August 2024***27 Financial instruments risk (continued)****27.3 Liquidity risk analysis (continued)**

The table below summarises the maturities of the College's financial liabilities:

	Up to 6 months RO	7 to 12 months RO	Above 1 year RO	Total RO
<i>31 August 2024</i>				
<b>Non-interest bearing:</b>				
<b>Student security deposits</b>	19,450	20,350	213,505	253,305
<b>Trade payables</b>	179,227	5,722	17,371	202,320
<b>Other accrued expenses</b>	40,175	-	-	40,175
	<u>238,852</u>	<u>26,072</u>	<u>230,876</u>	<u>495,800</u>
<i>31 August 2023</i>				
<b>Non-interest bearing:</b>				
Student security deposits	12,150	39,450	185,155	236,755
Trade payables	296,556	22,033	-	318,589
Other accrued expenses	68,198	-	-	68,198
	<u>376,904</u>	<u>61,483</u>	<u>185,155</u>	<u>623,542</u>

Management believes that the College is able to generate sufficient funds for the foreseeable future to meet the College's liquidity requirements and meet the financial obligations as they fall due.

**28 Fair value estimation**

The fair value of publicly traded investments is based on quoted market prices at the reporting date.

The carrying amounts of all financial assets and liabilities approximate their fair values.

The College measures fair value using the following fair value hierarchy that reflects the significance of the input used in the making the measurements:

**Level 1**

Level 1 assets and liabilities are typically exchange-traded positions traded in active markets. These positions are valued using unadjusted quoted prices in active markets.

**MAJAN COLLEGE SAOG (MAJAN UNIVERSITY COLLEGE)**

**Notes to the financial statements**

*For the year ended 31 August 2024*

**28 Fair value estimation (continued)**

**Level 2**

Fair value is determined using valuation techniques based on valuation models with directly or indirectly market observable inputs. These valuation techniques include discounted cash flow analysis models, option pricing models, simulation models and other standard models commonly used by market participants. Valuation techniques incorporate assumptions that other market participants would use in their valuations, such as discount rates, default rates, credit spreads and option volatilities. These inputs need to be directly or indirectly observable in order to be classified as level 2. The College has made unquoted investments under level 2.

**Level 3**

Level 3 assets are valued using techniques similar to those outlined for level 2, except that if the instrument has one or more inputs that are unobservable and significant to the fair value measurement of the instrument in its entirety, it will be classified as level 3.

There were no transfers between level 1, level 2 and level 3 of the fair value hierarchy of the investment securities during the year.

The College's quoted shares are valued using the Level 1 method based on quoted prices in active markets, whereas the College's unquoted shares are valued using the Level 2 method based on the discounted cash flow analysis model.

**29 Capital management policies and procedures**

The College's capital management objectives are:

- To ensure the College's ability to continue as a going concern.
- To provide an adequate return to shareholders by services commensurately with the level of risk.

The College manages its capital structure in a way it is able to continue as a going concern and adjust it, in light of changes in economic conditions. No changes were made in the objectives, policies and processes during the year.

**30 Contingent liabilities and commitments**

The College had no contingent liabilities or commitments as at 31 August 2024 (2023: RO nil).

**31 Subsequent events**

There are no significant subsequent events after the reporting date or up to the date of approval of these financial statements.