



BOARD REPORT FOR THE YEAR ENDED 31st AUGUST 2022

Respected Shareholders

On behalf of the Board of Directors of Majan College SAOG (Majan University College), I am pleased to present this report on Majan's financial and operating performance and the accompanying financial statements for the year ended 31st August 2022.

Business Environment

While the Government has undertaken to reduce overall expenditure, spending on basic services such as education as a percentage of total expenditure has been the highest. Education got the highest 17% out of a total of 40% allocated for the basic services in Oman year 2022 budget. This measure reduces the challenges on the private higher education sector. The challenges posed by the increasing competition, however, put extensive pressures on revenue growth.

Business Associates

Guided by our vision and mission, Majan College SAOG (Majan University College) offers programmes at both undergraduate and postgraduate levels that address the needs of the local, regional and international markets in a competitive environment. Majan continues to enjoy a well-respected position among higher education institutions through its quality academic provisions. Majan maintains its academic long-standing partnership with the University of Bedfordshire in the United Kingdom which validates Majan's undergraduate programmes in business, English and information technology disciplines. Majan hosts four University of Bedfordshire Master programmes (MBA and Masters in Computer Science and International Human resource Management and Applied Linguistics). Majan also hosts the University of Bradford Doctor of business Administration programme (DBA).

Commitment to Quality

Majan was the first higher educational institution to be institutionally accredited by Oman Authority for Academic Accreditation and Quality Assurance of Education. It was accredited in December 2017 for a period of five years, now extended to six years. Majan goes through the institutional review by the University of Bedfordshire, an exercise that takes place every 5 years. The latest took place in year 2022 and the next review will be conducted in year 2027. The College maintains its commitment to enhance its academic provision and support to students through its transparent quality assurance measures.

Financial Performance

Majan's financial performance was affected in the core business due to the impact of change to the entry criteria for postgraduate students since year 2020. However, that impact was minimised through the increase in investment income and other income. In comparison to the previous financial year, total income was decreased by 5% to be OMR 4.77 million. This was mainly from decrease in new and returning postgraduate students offset against increase in investment income and other income. Total expenses have decreased by 1% to be OMR 3.59 million. This was mainly from the decline in postgraduate fees income and corresponding reduction in affiliation fees.



Therefore, net profit before tax decreased by 17% to be OMR 1.18 Million, however, Taxation has increased by 162% to be OMR 0.18 Million mainly because of deferred tax income on provisions on the impairment of fee receivables & fair value adjustment of investments FVPTL during prior period. Consequently, overall net profit after tax has decreased by 26% to be OMR 1 Million. Earnings per share has decreased from 15 Baiza per share to 11 Baiza per share.

Community Support

Majan recognizes its social responsibility and shares its resources with the Omani society through its contribution to the Ministry of Higher Education scholarships programme. As part of its training programme, Majan offers scholarships to its employees at the undergraduate and postgraduate programmes. Majan also operates a discount scheme for siblings and students with special needs and supports different charity organizations through its CSR budget and activities.

Dividend

Considering the annual financial performance, the liquidity requirements for operational needs. The board of directors recommends this year not to distribute any dividends.

Future Outlook

Today Majan is well positioned in the private higher education sector and is highly regarded. Despite the competition in the education sector, the management believes that the demand for private higher education will continue to grow in the future. Majan has strong management since its inception and will continue on growth strategies that maximize shareholder value whilst maintaining sustainable quality higher education.

Appreciation

On behalf of the Board of Directors, I would like to express my appreciation and gratitude to his Majesty Sultan Haitham bin Tariq for his unlimited support and guidance to higher education. Our sincere thanks to the Ministry of Higher Education, Research and Innovation for its support to the private higher education sector. This has resulted in tremendous growth in the sector. It is our intention that Majan College SAOG (Majan University College) continues to contribute to the achievement of the vision of the country by continuously improving and enriching the standards of its academic programmes and its resources.

Dr.Salam Salim Al Mur Al Kindi
Chairman