

BOARD REPORT FOR THE YEAR ENDED 31st AUGUST 2019

Respected Shareholders

On behalf of the Board of Directors of Majan College (University College) SAOG, 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 2019.

Business Environment

The government has given emphasis on the expenditure outlay for education sector in the national budget for year 2019 and allocated RO 1,602 million compared to RO 1,587 million in year 2018 budget. This measure would reduce the challenges on the private higher education sector, however, considering the challenges posed by the increasing competition would put extensive pressures on the revenue growth.

Business Associates

Guided by our vision and mission, Majan College (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 continues its academic long standing partnership with the University of Bedfordshire in the United Kingdom for approving Majan's higher education programmes in business, English and information technology disciplines and hosting four Master programmes (MBA and Masters in Computer Science and International Human resource Management and Applied Linguistics).

Commitment to Quality

Majan is the first higher educational institution to be fully accredited by Oman Academic Accreditation Authority (OAAA) in December 2017 for a period of five 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 March 2016. The College maintains its commitment to enhance its academic provisions and support to students through its transparent quality assurance measures.

Financial Performance

Majan financial performance was slightly affected in the core business due to increasing competition. However, that was counter balanced through controlling the expenses. In comparison to the previous financial year, total income was decreased by 5% to be OMR 6.87 Million mainly from decrease in returning students. Total expenses have decreased by 7% to be OMR 4.80 Million mainly from the agreed reduction in affiliation fees rate with the academic partner. Tax expense has increased by 13% to be OMR 0.33 Million mainly because of additional tax on tax assessment of years 2013-2015. Consequently, same net profit after tax was maintained from the previous financial year at OMR 1.73 Million. Earning per share as a result stood at 19 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.

Dividend

Considering the annual financial performance, the liquidity requirements for operational needs and Majan uninterrupted record of declaration of 30% cash dividend on paid up capital starting from year 2006/2007. The board of directors recommends this year to distribute 14.5% cash dividends on paid up capital, i.e. 14.5 Baisa per share to the shareholders registered as on the date of the annual general meeting.

Future Outlook

Today Majan is well positioned in the private higher education sector and is highly regarded. Despite decreased government spending on education sector; management believes that the demand for private higher education will continue to grow in the future. Majan has a 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 Qaboos bin Said for his unlimited support and guidance to higher education. Our sincere thanks to the Ministry of Higher Education for its support to the private higher education sector. This resulted in tremendous growth in the sector. It is our intention that Majan College (University College) continues to support to achieve the vision of his Majesty by continuously improving and enriching the standards of its academic programmes and its resources.

Dr. Aly Darwish Hagi Aly Al Shamali
Chairman

