



BOARD REPORT FOR THE YEAR ENDED 31st AUGUST 2021

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 2021.

Business Environment

The government has given emphasis on the expenditure outlay for the education sector in the national budget for year 2021. While the Government has undertaken to reduce overall expenditure, spending on basic services such as education as a percentage of total expenditure has been maintained in line with the previous year. 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).

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 March 2016 and the next review will be conducted in April 2022 due to the COVID-19 pandemic. 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. However, that was counter balanced through controlling the expenses. In comparison to the previous financial year, total income was decreased by 19% to be OMR 5.03 million. This was mainly from decrease in new and returning postgraduate students. Total expenses have decreased by 16% to be OMR 3.61 million. This was mainly from the decline in postgraduate fees income and corresponding reduction in affiliation fees in addition to control of salaries and related cost and general and administrative expenses offset against the impact of depreciation of the new facilities. Tax expense has decreased by 77% to be OMR 0.07 million mainly because of deferred tax income on provisions on the impairment of fee receivables & fair value adjustment of investments FVPTL. Consequently, overall net profit after tax has decreased by 17% to be OMR 1.35 million. Earning per share has decreased from 18 Baiza per share to 15 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 14.5% cash dividend on paid up capital starting from year 2018/2019. The board of directors recommends this year to distribute 14.5% cash dividends on paid up capital, i.e. 14.5 Baiza 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, 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