1 ACTIVITIES

Al Anwar Holdings SAOG (the "Parent Company") is an Omani joint stock company incorporated on 20 December 1994 and registered in the Sultanate of Oman. The business activities of Parent Company and its subsidiary companies (together referred to as the "Group") include promotion of and participation in a variety of ventures in the financial services and industrial sector in the Sultanate of Oman.

2 SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been consistently applied in dealing with items considered material to the consolidated and Parent Company financial statements.

Statement of compliance and basis of preparation

The consolidated and Parent Company financial statements have been prepared in accordance with International Financial Reporting Standards and interpretation issued by the relevant body of the International Accounting Standards Board, the requirements of the Commercial Companies Law of the Sultanate of Oman, 1974 (as amended) and the rules for disclosure requirements prescribed by the Capital Market Authority ("CMA").

The financial statements have been prepared under the historical cost convention, except that investments at fair value through profit or loss, investments available for sale and investment property are stated at their fair values.

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

Basis of consolidation

The consolidated financial statements comprise those of Al Anwar Holdings SAOG and its subsidiaries as at 31 March each year. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The consolidated financial statements comprise those of Al Anwar Holdings SAOG drawn upto 31 March and its subsidiaries drawn up to 31 December each year using consistent accounting policies. Adjustments are made for the effects of significant transactions or other events, if any, that occur in the subsidiaries between 31 December and 31 March of the next year.

All intra-Group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interest
- Derecognises the cumulative translation differences, recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended IFRS and IFRIC interpretations effective as of 1 January 2011:

- IAS 24 Related Party Transactions (Amendment)
- IAS 32 Financial Instruments: Presentation – (Amendment)
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments
- Improvements to IFRSs (May 2010)

The adoption of the standards or interpretations applicable to the Group is described below.

IAS 24 Related Party Transactions (Amendment)
The IASB issued an amendment to IAS 24 that clarifies the definitions of a related party. The new definitions emphasise a symmetrical view of related party relationships and clarifies the circumstances in which persons and key management personnel affect related party relationships of an entity. In addition, the amendment introduces an exemption from the general related party disclosure requirements for transactions with government and entities that are controlled, jointly controlled or significantly influenced by the same government as the reporting entity. The adoption of the amendment did not have any impact on the financial position or performance of the Group

IAS 32 Financial Instruments: Presentation (Amendment)
The IASB issued an amendment that alters the definition of a financial liability in IAS 32 to enable entities to classify rights issues and certain options or warrants as equity instruments. The amendment is applicable if the rights are given pro rata to all of the existing owners of the same class of an entity's non-derivative equity instruments, to acquire a fixed number of the entity's own equity instruments for a fixed amount in any currency. The amendment has had no effect on the financial position or performance of the Group because the Group does not have these type of instruments.

IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments
In November 2009, the IASB issued IFRIC 19 Extinguishing Financial Liabilities with Equity. The interpretation clarifies that equity instruments issued to a creditor to extinguish a financial liability qualify as consideration paid. The equity instruments issued are measured at their fair value. In case that this cannot be reliably measured, the instruments are measured at the fair value of the liability extinguished. Any gain or loss is recognised immediately in profit or loss. The adoption of this interpretation has had no effect on the financial statements of the Group.

Improvements to IFRSs
In May 2010, the IASB issued its third omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The amendments resulting from improvements to IFRSs did not have any impact on the accounting policies, financial positions or performance of the Group.

Standards issued but not yet effective:
Standards issued but not yet effective up to the date of issuance of the Group's financial statements are listed below. This listing of standards and interpretations issued are those the Group reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The Group intends to adopt these standards when they become effective.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Changes in accounting policies (continued)

IAS 1 Financial Statement Presentation – Presentation of Items of Other Comprehensive Income (OCI)
The amendments to IAS 1 change the grouping of items presented in OCI. Items that could be reclassified (or recycled') to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never be reclassified. The amendment affects presentation only and has no impact on the Group's financial position or performance. The amendment becomes effective for annual periods beginning on or after 1 July 2012.

IFRS 7 Financial Instruments: Disclosures — Enhanced Derecognition Disclosure Requirements
The amendment requires additional disclosure about financial assets that have been transferred but not derecognised to enable the user of the Group's financial statements to understand the relationship with those assets that have not been derecognised and their associated liabilities. In addition, the amendment requires disclosures about continuing involvement in derecognised assets to enable the user to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognised assets. The amendment becomes effective for annual periods beginning on or after 1 July 2011. The amendment affects disclosure only and has no impact on the Group's financial position or performance.

IFRS 9 Financial Instruments: Classification and Measurement
IFRS 9 as issued reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard is effective for annual periods beginning on or after 1 January 2015. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. The completion of this project is expected over the first half of 2012. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but will potentially have no impact on classification and measurement of financial liabilities. The Group will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture.

IFRS 13 Fair Value Measurement
IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The Group is currently assessing the impact that this standard will have on the financial position and performance. This standard becomes effective for annual periods beginning on or after 1 January 2013.

IAS 27 Separate Financial Statements (as revised in 2011)
As a consequence of the new IFRS 10 and IFRS 12, what remains of IAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements. The amendment becomes effective for annual periods beginning on or after 1 January 2013.

IAS 28 Investments in Associates and Joint Ventures (as revised in 2011)
As a consequence of the new IFRS 11 and IFRS 12. IAS 28 has been renamed IAS 28 Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates.The amendment becomes effective for annual periods beginning on or after 1 January 2013.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Changes in accounting policies (continued)

IFRS 10 Consolidated Financial Statements

IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. It also includes the issues raised in SIC-12 Consolidation —Special Purpose Entities. IFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgement to determine which entities are controlled, and therefore, are required to be consolidated by a Parent, compared with the requirements that were in IAS 27. This standard becomes effective for annual periods beginning on or after 1 January 2013.

IFRS 12 Disclosure of Involvement with Other Entities

IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required. This standard becomes effective for annual periods beginning on or after 1 January 2013.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments

Subsidiary

A subsidiary is a company in which the Group owns more than one half of the voting power or exercises control. In the Parent Company's separate financial statements, the investment in the subsidiary is carried at cost.

Investments in associate

The Group's investment in its associates is accounted for under the equity method of accounting. An associate is an entity in which the Group has significant influence and which is neither a subsidiary nor a joint venture.

Under the equity method, the investment in the associate is carried in the statement of financial position at cost plus post- acquisition changes in the Group's share of net assets of the associate. Goodwill relating to an associate is included in the carrying amount of the investment. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associate. The statement of comprehensive income reflects the share of the results of operations of the associate. Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes and discloses this, when applicable, in the statement of changes in equity. Profits and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The associates' accounting policies conform to those used by the Group for like transactions and events in similar circumstances. The consolidated financial statements comprise those of Al Anwar Holdings SAOG drawn upto 31 March and its associates drawn up to 31 December each year using consistent accounting policies. Adjustments are made for the effects of significant transactions or other events, if any, that occur in the associates between 31 December and 31 March of the next year.

Investments held to maturity

Investments which are held with a positive intent and ability to hold until maturity are classified as held to maturity. They are initially recognised at cost and subsequently re-measured at amortised cost.

Investments carried at fair value through profit or loss

Financial assets at fair value through profit or loss includes financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets at fair value through profit and loss are carried in the statement of financial position at fair value with changes in fair value recognised in statement of comprehensive income.

Financial assets designated at fair value through profit and loss are designated at their initial recognition date and only if the criteria under IAS 39 are satisfied.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments (continued)

The Group evaluates whether the intent to sell its financial assets at fair value through profit and loss (held for trading) in the near term is still appropriate. When the Group is unable to trade these financial assets due to inactive markets and management's intent to sell them in the foreseeable future significantly changes, the Group may elect to reclassify these financial assets in rare circumstances. The reclassification is to loans and receivables, available-for-sale or held to maturity depending on the nature of the asset. This evaluation does not affect any financial assets designated at fair value through profit or loss using the fair value option at designation.

Available for sale

Available-for-sale investments include equity and debt securities. Equity investments classified as available-for-sale are those which are neither classified as held-for-trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial measurement, available-for-sale financial investments are subsequently measured at fair value, unless fair value cannot be reliably determined in which case they are measured at cost less impairment. Fair value changes are reported as a separate component of equity until the investment is derecognised or the investment is determined to be impaired. On derecognition or impairment, the cumulative gain or loss previously reported as "cumulative changes in fair value" within equity, is included in the statement of comprehensive income for the period. Dividends earned whilst holding available-for-sale financial investments are recognised in the statement of comprehensive income as 'Investment income' when the right of the payment has been established. The losses arising from impairment of such investments are recognised in the statement of comprehensive income and removed from the 'Cumulative changes in fair value reserve'.

Fair value measurement

For investments actively traded in organised financial markets, fair value is generally determined by reference to stock exchange quoted market bid prices at the close of business on the reporting date. Unquoted investments are valued at fair value when they can be reliably measured; otherwise they are stated at cost.

Dividend income

Dividend income from investments is accounted when the right to receive payment is established.

Gain on disposal of investments

Gain on disposal of investments is determined by the difference between sales proceeds and cost or carrying value and is credited to the statement of comprehensive income.

Interest income

Interest income is recognised as the interest accrues using the effective interest method.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets

Intangible assets comprise goodwill, value of customer portfolio and license acquired. In accordance with IAS 38 'Intangible assets', the Board of Directors have reviewed the amortization periods for intangible assets, and have estimated a useful like of 10 years for customer portfolio and an indefinite life for value of license acquired up to 31 December 2008. During 2009, the useful economic life of the license was revised to only 7 years.

Goodwill

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest, over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed off, the goodwill associated with the operation disposed off is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Leases

Operating lease payments are recognised in the statement of comprehensive income on a straight line basis.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Subsequent expenditure is capitalised only when it is probable that it will result in increased future economic benefits. All other expenditure is recognised in the statement of comprehensive income as an expense as incurred.

Depreciation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful economic lives of items of property, plant and equipment. The estimated useful lives are as follows:

	Years
Buildings on leasehold land	20
Plant, machinery and equipment	4-15
Motor vehicles	3-5
Furniture and fixtures	3-8

Capital work in progress is not depreciated.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment properties

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day to day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the statement of comprehensive income in the period in which they arise

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of comprehensive income in the period of derecognition.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. Cost of raw materials is based on the weighted average cost method and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Work in progress and finished goods includes material costs and, where applicable, an appropriate share of overheads based on normal operating capacity.

Accounts and other receivables

Accounts receivable originated by the Group, are measured at cost. Bad debts are written off or provided for as they arise and provision is made for doubtful receivables.

Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents consists of cash and bank balances with maturity of three months from the reporting date.

Derecognition of financial assets and financial liabilities

Financial assets:
A financial asset (or, where applicable a part of a financial asset or part of a Group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and
- Either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Derecognition of financial assets and financial liabilities (continued)

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, a new asset is recognised to the extent of the Group's continuing involvement in the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset, is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

When continuing involvement takes the form of a written and/or purchased option (including a cash settled option or similar provision) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase, except that in the case of a written put option (including a cash settled option or similar provision) on an asset measured at fair value, the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Financial liabilities:
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in comprehensive income statement.

Impairment

Financial assets

At each reporting date, the Group's management assesses if there is any objective evidence indicating impairment of the carrying value of financial assets or non-collectability of receivables.

Impairment losses are determined as differences between the carrying amounts and the recoverable amounts and are recognised in the statement of comprehensive income. Any reversal of impairment losses (other than available for sale) are recognised as income in the statement of comprehensive income. The recoverable amounts represent the present value of expected future cash flows discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted.

Non financial assets

Other than the goodwill arising on consolidation of subsidiaries and investment in associates [refer note (d) above] at each reporting date, the Group assesses if there is any indication of impairment of non-financial assets. If an indication exists, the Group's management estimates the recoverable amount of the asset and recognises an impairment loss in the statement of comprehensive income. Other than for goodwill, the Group's management also assesses if there is any indication that an impairment loss recognised in prior years no longer exists or has reduced. The resultant impairment loss or reversals are recognised immediately in the statement of comprehensive income. The recoverable amount adopted is the higher of net realisable value or market value and its value in use.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Employees' end of service benefits

Payment is made to Omani Government's Social Security Scheme in accordance with the Royal Decree Number 72/91 (as amended) for Omani employees. Provision is made for amounts payable under the Sultanate of Oman's labour law in accordance with Royal Decree number 35/2003 (as amended) applicable to expatriate employees' accumulated periods of service at the reporting date.

Provisions

A provision is recognised in the financial position when the Group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Trade and other payable

Liabilities are recognised for amounts to be paid for goods and service received, whether or not billed to the Group.

Government term loans and deferred income

Carrying values

The carrying values of the interest free and low interest Government term loans are determined as the present values of the loans adopting the interest rates that reflect the current cost of similar borrowing on similar loan terms from a commercial bank.

Finance charge

The effective interest charge arises as a result of accounting for the fair values of the government related term loans and therefore represents the actual interest incurred for the year plus an amount arising from movements in the carrying values of the loans in the year.

Deferred income

The amount of deferred income relating to the government term loans is released to the profit or loss in such a way as to spread the income over the effective interest charge to which it relates.

Operating income

Operating income represents the invoice value of goods sold during the year, net of discounts and returns, and is recognised in the statement of comprehensive income, when the significant risks and rewards of ownership have been transferred to the buyer.

Rental income

Rental income is accounted for on a time proportion basis over the period of the related agreements.

Finance charges

Finance charges comprise interest payable on term loans and bank borrowings, interest subsidy, and are net of interest receivable on bank deposits. Finance charges are recognised as an expense in the statement of comprehensive income in the period in which they are incurred.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation

Current income tax
Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. Taxation is provided based on relevant laws of the respective countries in which the Group operates.

Deferred tax
Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on laws that have been enacted at the reporting date.

Deferred income tax assets are recognised for all deductible temporary differences and carry-forward of unused tax assets and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax assets and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Income tax relating to items recognised directly in other comprehensive income are recognised as other comprehensive income items.

Foreign currencies

Foreign currency transactions are translated into Omani Rials at the exchange rate prevailing on the transaction date. Foreign currency monetary assets and liabilities at the reporting date are translated at the rates of exchange prevailing at that date. Exchange differences that arise are recognised in the statement of comprehensive income.

Operating segment

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

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

Dividend

The Board of Directors takes into account appropriate parameters including the requirements of the Commercial Companies Law while recommending the dividend.

Dividend distribution to the Parent Company's shareholders is recognised as a liability in the Group's and Parent Company's financial statements in the period in which the dividend is declared.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Directors' remuneration and meeting attendance fees

The Company follows the Commercial Companies Law 1974 (as amended), and other latest relevant directives issued by CMA, in regard to determination of the amount to be paid as Directors remuneration and sitting fee are charged to the statement of comprehensive income in the year to which they relate.

Earnings and net assets per share

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

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

Significant accounting judgments, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Insurance operations

(i)Gross premiums

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

Reserve for unexpired risks / Unearned premium reserve

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

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

(ii) Commission earned and paid

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

(iii) Provision for outstanding claims

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

(iv) Insurance and other receivable balances

Insurance and other receivable are stated net of provision for impairment receivables.

(v) Reinsurer's share of claims

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

3 Property, plant and equipment

Group	Buildings on leasehold land RO'000	Plant, machinery and equipment RO'000	Motor vehicles RO'000	Furniture and fixtures RO'000	Capital work in progress RO'000	Total RO'000
Cost						
1 April 2011	1,100	5,467	198	509	17	7,291
Additions during the year	169	293	7	82	347	898
Relating to disposal of a subsidiary	(1,261)	(5,760)	(134)	(190)	(364)	(7,709)
Disposals during the year	(8)	-	-	(54)	-	(62)
31 March 2012	-	-	71	347	-	418
Depreciation						
1 April 2011	285	2,700	146	408	-	3,539
Charge for the year	42	373	19	53	-	487
Disposal of a subsidiary	(325)	(3,073)	(94)	(162)	-	(3,654)
Disposals during the year	(2)	-	-	(52)	-	(54)
31 March 2012	-	-	71	247	-	318
Net book value						
31 March 2012	-	-	-	**100**	-	**100**
31 March 2011	815	2,767	52	101	17	3,752

Certain of the property, plant and equipment relating to the subsidiary are mortgaged as security for the term loans (note 13).

Parent Company	Motor vehicles RO'000	Furniture and fixtures RO'000	Total RO'000
Cost			
1 April 2011	29	77	106
Additions during the year	-	33	33
Disposals during the year	-	(3)	(3)
31 March 2012	29	107	136
Depreciation			
1 April 2011	27	71	98
Charge for the year	-	5	5
Disposals during the year	-	(2)	(2)
31 March 2012	27	74	101
Net book values			
31 March 2012	**2**	**33**	**35**
31 March 2011	2	6	8

4 Intangible assets

	Customer portfolio RO '000	License RO '000	Goodwill RO '000	Total RO '000
Cost				
1 April 2011	560	290	556	1,406
Disposals during the year	-	-	(63)	(63)
31 March 2012	**560**	**290**	**493**	**1,343**
Amortisation / impairment				
1 April 2011	304	91	100	495
Charge during the year	56	40	-	96
31 March 2012	**360**	**131**	**100**	**591**
Net book value				
At 31 March 2012	**200**	**159**	**393**	**752**
At 31 March 2011	256	199	456	911

The customer portfolio acquired in the year 2005, at the time was valued by the management by reference to the assessed net present value of future positive cash flows arising there from. The license was valued by the management on the basis of the estimated cost it would have incurred in obtaining a new license.

5 Investments

	2012			2011		
Group	**Quoted**	**Unquoted**	**Total**	Quoted	Unquoted	Total
	RO'000	**RO'000**	**RO'000**	RO'000	RO'000	RO'000
Non-current assets						
Associates	**15,179**	**1,210**	**16,389**	11,399	943	12,342
At fair value through profit and loss account	**368**	**805**	**1,173**	826	518	1,344
Available for sale financial assets	**119**	**140**	**259**	114	122	236
Carrying values	**15,666**	**2,155**	**17,821**	12,339	1,583	13,922
Current assets						
Held for trading	**3,063**	**-**	**3,063**	2,142	-	2,142
Held for sale	**471**	**-**	**471**	385	-	385
Carrying values	**3,534**	**-**	**3,534**	2,527	-	2,527
Total carrying values	**19,200**	**2,155**	**21,355**	14,866	1,583	16,449
Parent Company						
Non-current assets						
Subsidiaries	**-**	**4,474**	**4,474**	-	5,365	5,365
Associates	**11,020**	**1,139**	**12,159**	7,536	1,139	8,675
At fair value through profit and loss account	**365**	**805**	**1,170**	822	518	1,340
Carrying values	**11,385**	**6,418**	**17,803**	8,358	7,022	15,380
Current assets						
Held for trading	**28**	**-**	**28**	24	-	24
Held for sale	**51**	**-**	**51**	41	-	41
Carrying values	**79**	**-**	**79**	65	-	65
Total carrying values	**11,464**	**6,418**	**17,882**	8,423	7,022	15,445

Investments in subsidiaries, associates and investments at fair value through profit or loss represent companies registered in the Sultanate of Oman, Kuwait, Saudi Arabia and India having financial reporting periods ended on 31 December 2011 as follows:

	Ownership interest %		
	2012	2011	Status
Subsidiaries:			
Al Anwar International Investment LLC ("AAII")	**100.00**	100.00	Unquoted
[Formerly Al Anwar Computer Services LLC ("AACS")]			
Sun Packaging Company LLC ("SPC")	**-**	62.50	Unquoted
Al Anwar Securities SAOC ("AAS")	**100.00**	100.00	Quoted
Falcon Insurance Company SAOC ("FIC")	**51.00**	51.00	Unquoted

5 Investments (continued)

During the year, group sold its 51% stake in SPC and the remaining 11.5% stake was reclassified to fair value through profit or loss investment. The details of sale proceeds and related profit are set out in note 20.

On 3 July 2002, the Parent Company entered into an agreement for transferring its 60% interest in Sun Plastics Company LLC to the minority shareholder. Up to the date of approval of these financial statements, the formal transfer of shares to the minority shareholder has not taken place.

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

	Group Ownership interest %		
	2012	2011	Status
Associates:			
Voltamp Energy SAOG and its Subsidiary ("VE")	**25.00**	28.19	Quoted
Taageer Finance Company SAOG ("Taageer")	**33.63**	22.67	Quoted
Al Maha Ceramics Company SAOC ("AMCC")	**32.00**	32.00	Unquoted
ABI Precision Casting SAOC – under liquidation ("AABCO")	**40.00**	40.00	Unquoted
Investments at fair value through profit or loss:			
Computer Stationery Industry SAOG ("CSI")	**0.22**	0.22	Quoted
Addax Bank	**3.83**	3.83	Unquoted
Al Ritaj Investment Company, Kuwait ("Ritaj")	**0.40**	0.40	Unquoted
Almondz Global Securities Ltd, India ("AGSL")	**12.21**	12.21	Quoted
Sun Packaging Company LLC ("SPC")	**11.50**	-	Unquoted
Investments held for sale:			
VE	**3.08**	2.48	Quoted

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

	2012	2011
	RO'000	RO'000
Total assets	**120,289**	112,223
Total liabilities	**74,356**	73,491
Total revenues	**30,557**	26,459
Profit or loss	**5,582**	5,023

5 Investments (continued)

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

	2012	2011
	RO'000	RO'000
At 1 April	**12,342**	14,209
Additional investments/transfer	**3,527**	1,330
Disposal of investment/transfer	**(101)**	(3,883)
Dividends received	**(879)**	(675)
Impairment of investments	**-**	(64)
Share of profit after tax	**1,500**	1,425
At 31 March	**16,389**	12,342

Group's share of profits (loss) of associates for the year is as follows:

	2012	2011
	Group	Group
	RO'000	RO'000
VE	**347**	702
FIC	**-**	118
AABCO	**-**	(14)
AMCC	**322**	48
TFC	**831**	571
	1,500	1,425

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

Investments having a total carrying value of RO 1.5 million (2011: RO 1.4 million) are registered in the name of Al-Anwar International Investment LLC for and on behalf of the Parent Company.

Sector-wise analysis of the Group's investment in financial asset at fair value through profit or loss is as follows:

	Group		**Parent**	
	2012	2011	**2012**	2011
	%	%	%	%
Banking	**8%**	10%	**6%**	5%
Leasing	**12%**	17%	**-**	-
Financial Services	**46%**	56%	**62%**	90%
Industry	**28%**	14%	**30%**	3%
Others	**6%**	3%	**2%**	2%

5 Investments (continued)

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

Parent	Percentage of the portfolio	Number of securities	Market value RO'000	Carrying value RO'000
2012				
Almondz Global Securities	**65%**	**3,091,500**	**288**	**288**
2011				
Almondz Global Securities	84%	3,091,500	745	745
Group				
2012				
Muscat Finance Company SAOG	**12%**	**2,265,359**	**453**	**453**
Almondz Global Securities	**7%**	**3,091,500**	**288**	**288**
2011				
Muscat Finance Company SAOG	19%	2,960,142	648	648
Almondz Global Securities	22%	3,091,500	745	745

6 Investment property

Parent Company
Investment property represents land purchased by the Parent Company intended for sale or development which is registered in the name of certain directors, who are holding the property beneficially for and on behalf of Parent Company. The land is stated at its market value of RO 3 million.

Investment property is valued by the independent valuer. The latest valuation of the land was conducted on 10 April 2011. Management believes that fair value as at 10 April 2011 equals to its fair value at the reporting date.

FIC
Investment property amounting RO 2.282 million comprises land acquired during 2007, which is registered in the name of certain Directors, who are holding the property beneficially for and on behalf of FIC. In 2009, the FIC acquired an additional area of 623 square meters at the same location that form part of the existing location.

Investment property is valued by the independent valuer. The latest valuation of the land was conducted on 14 February 2012. Management believes that fair value as at 14 February 2012 equals to its fair value at the reporting date.

7 Net insurance liabilities

FIC became subsidiary from 1 June 2010, the insurance contract liabilities and reinsurance contract assets as at 31 December 2011 are consolidated and has been presented below:

	2012	2011
	RO '000	RO '000
Gross insurance contract liabilities	**9,330**	6,314
Due to reinsurance	**1,565**	959
Less: Reinsurers' share of insurance liabilities	**(6,084)**	(3,624)
Net insurance liabilities	**4,811**	3,649

8 Inventories

	Group		Parent Company	
	2012	2011	**2012**	2011
	RO'000	RO'000	**RO'000**	RO'000
Raw materials	-	2,128	-	-
Work in progress	-	761	-	-
Finished goods	-	88	-	-
Less: Impairment allowance	-	(38)	-	-
	-	2,939	-	-

9 Trade and other receivables

	Group		Parent Company	
	2012	2011	**2012**	2011
	RO'000	RO'000	**RO'000**	RO'000
Trade receivables	-	2,800	-	-
Premium receivable	**2,663**	2,057	-	-
Impairment allowance	**(160)**	(155)	-	-
	2,503	4,702	-	-
Insurance accounts receivable	**341**	530	-	-
Prepayments and other receivables	**241**	335	**68**	77
Amounts due from related parties (note 22)	**992**	1,087	**830**	924
	4,077	6,654	**898**	1,001

Movement in impairment allowance is as follows:

At 1 April	**155**	103	-	-
Effect of acquisition of a subsidiary	-	55	-	-
Provided during the year	**125**	3	-	-
Written back during the year	-	(6)	-	-
Effect of disposal of a subsidiary	**(120)**	-	-	-
31 March	**160**	155	-	-

10 Cash and bank balances

	Group		Parent Company	
	2012	2011	**2012**	2011
	RO'000	RO'000	**RO'000**	RO'000
Cash in hand	**45**	39	-	-
Cash at bank:				
□ current accounts	**183**	520	**6**	18
Cash and cash equivalent	**228**	559	**6**	18
Other short term deposits	**3,900**	4,737	-	-
Cash and bank balances	**4,128**	5,296	**6**	18

Bank deposits

The term deposits are placed with commercial banks and approved non-banking financial institutions in the Sultanate of Oman and carry an effective interest rate between 0.05% to 4.00% per annum (2011: 0.05% to 5.5% per annum).

The deposits have an original maturity period of 3 months to two year from the date of placement (2011: 1 month to a year)

In accordance with the law governing the operations of insurance companies within the Sultanate of Oman, the subsidiary company has identified to the Capital Market Authority certain deposits and investments included at 31 December 2011 at a total value of RO 5,483,540 (2010: RO 5,410,697). These assets can only be transferred with the prior approval of the Capital Market Authority.

11 Share capital and reserves

a) Share capital

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

	2012	2011
1 April	**120,000,000**	110,000,000
Stock dividend	-	10,000,000
31 March	**120,000,000**	120,000,000

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

	Number of shares held	**2012 (%)**	Number of shares held	2011 (%)
Fincorp Investment Company LLC	**36,493,740**	**30.41%**	30,018,084	25.02%
Financial Services Company SAOG - Trust	**19,429,202**	**16.19%**	19,429,202	16.19%
Mohamed and Ahmed Al Khonji LLC	**6,040,613**	**5.03%**	6,040,613	5.03%

11. Share capital and reserves (continued)

b) Legal reserve

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

c) Other reserves

Other reserves comprise contingency reserve in the amount of RO 110,000 (2011: RO 25,000) and fair value reserve in the amount of RO 19,000 (2011: RO 7,000).

d) Contingency reserve

In accordance with Article 20 (2) (c) amended by Royal Decree No. 35/95 of the Oman Insurance Companies Law 1979, 10% of the net outstanding claims for general insurance business at the reporting date is transferred to a contingency reserve. For life insurance the reserve is calculated at the rate of 1% of gross written premium. FIC may discontinue such annual transfers when the reserve equals the paid up capital.

Total contingency reserve as of 31 December 2011 accounted for by FIC is in the amount of RO 649,374 (2011: RO 483,387). However in consolidated financial statement contingency reserve is in the amount of RO 110,000 (2011: RO 25,000), representing the Group's share of post acquisition portion.

e) Fair value reserve

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

12 Non-controlling interests

Non-controlling interests comprises share of results and net assets attributable to non-controlling shareholders in the following subsidiaries:

	2012		2011	
	Results	**Net assets**	Results	Net assets
	RO'000	**RO'000**	RO'000	RO'000
FIC	**521**	**2,557**	(222)	3,067
SPC	**(141)**	**-**	149	730
	380	**2,557**	(73)	3,797

13 Bank borrowings

	Group		Parent Company	
	2012	2011	**2012**	2011
Term loan	**RO'000**	RO'000	**RO'000**	RO'000
Non-current portion				
From commercial banks	**4,368**	4,832	**4,368**	4,044
From Government	**-**	310	**-**	-
Deferred Government Grant	**-**	86	**-**	-
	4,368	5,228	**4,368**	4,044
Current portion				
From commercial banks	**1,891**	1,189	**1,891**	988
From Government	**-**	200	**-**	-
Current portion of term loan	**1,891**	1,389	**1,891**	988
Short-term bank borrowing *(note 15)*	**487**	2,781	**487**	19
	2,378	4,170	**2,378**	1,007
	6,746	9,398	**6,746**	5,051

Repayment schedule of term loan of the Group is as follows:

31 March 2012	**Total RO'000**	**Within one year RO'000**	**1 to 2 years RO'000**	**2 to 7 years RO'000**
Commercial banks	**6,259**	**1,891**	**3,782**	**586**
31 March 2011				
Commercial banks	6,021	1,189	1,369	3,463
Government	596	200	100	296
	6,617	1,389	1,469	3,759

Repayment schedule of the Parent Company is as follows:

2012				
Commercial banks	**6,259**	**1,891**	**3,782**	**586**
2011				
Commercial banks	5,032	988	1,169	2,875

The term loan along with the working capital loan is secured by second charge pari passu commercial mortgage on certain fixed assets of the Company along with insurance on the fixed assets of the Company in the joint name of the Company and the Bank. The term loan is repayable in 20 quarterly instalments of RO 20,000, each commencing on 1 February 2010.

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

The above loans carry interest rate ranging from 3% to 6% (2011: 3% to 6.5%) per annum.

14 Trade and other payables

	Group 2012 RO'000	Group 2011 RO'000	Parent Company 2012 RO'000	Parent Company 2011 RO'000
Trade payables	**3,146**	6,049	**37**	32
Accruals and other payables	**3**	266	**2**	32
Provision for income tax	**236**	299	**236**	236
Amounts due to related parties (note 22)	**-**	-	**958**	1,024
	3,385	6,614	**1,233**	1,324

15 Short term bank borrowings

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

16 Net investment (loss) income

	Group 2012 RO'000	Group 2011 RO'000	Parent Company 2012 RO'000	Parent Company 2011 RO'000
Dividend income	**64**	61	**943**	955
Unrealised loss on re-measurement at fair value	**(593)**	(1,911)	**(330)**	(1,917)
Gain on disposal of investment (note 20)	**391**	131	**745**	191
Unrealised loss on re-measurement of investment properties	**-**	(148)	**-**	(148)
Provision for impairment on investments	**-**	(64)	**-**	(80)
Other income	**47**	41	**47**	32
	(91)	(1,890)	**1,405**	(967)

17 Net assets per share and basic earnings per share

Net assets per share is calculated by dividing the net assets attributable to the shareholders of the Parent Company by the number of shares outstanding at the year end as follows:

	Group 2012	Group 2011	Parent Company 2012	Parent Company 2011
Net assets attributable to the shareholders of the Parent Company (RO'000)	**18,137**	17,607	**13,832**	13,091
Number of shares outstanding at 31 March ('000)	**120,000**	120,000	**120,000**	120,000
Net assets per share (in Baisas)	**151**	147	**115**	109

17 Net assets per share and basic earnings per share (continued)

Basic earnings per share is calculated by dividing the profit for the year attributable to the shareholders of the Parent Company by the weighted average number of shares outstanding during the year, as follows:

	Group	Group	Parent Company	Parent Company
	2012	2011	**2012**	2011
Profit (loss) for the year attributable to equity shareholders of Parent Company (RO'000)	**511**	(1,201)	**741**	(1,700)
Weighted average number of shares outstanding ('000)	**120,000**	120,000	**120,000**	120,000
Basic earnings (loss) per share (in Baisas)	**4**	(10)	**6**	(14)

18 Proposed dividend

In view of losses, the Board of Director's have not proposed any dividend for the current year (2011: No dividend proposed).

19 Other non current liabilities

	Group		Parent Company	
	2012	2011	**2012**	2011
	RO'000	RO'000	**RO'000**	RO'000
Employees' end of service benefits *(note 23)*	**58**	155	**10**	6
Deferred tax liability	**-**	63	**-**	-
	58	218	**10**	6

20 Gain on investments

a)<u>Gain on disposal of investments</u>

	Group	Group	Parent Company	Parent Company
	2012	2011	**2012**	2011
	RO'000	RO'000	**RO'000**	RO'000
Gain on disposal of investments	**282**	111	**712**	184
Realised gain on sale of held for trading investment	**17**	7	**33**	7
Loss on sale of investment at fair value through profit or loss	**92**	13	**-**	-
	391	131	**745**	191

20 Gain on investments (continued)

a)Gain on disposal of investments (continued)

The gain on disposal in 2012 relates to 51% share of stake in SPC (2011: 0.52% share of stake in VE).	**Group 2012 RO'000**	Group 2011 RO'000	**Parent Company 2012 RO'000**	**Parent Company 2011 RO'000**
Sale proceeds	**1,439**	192	**1,439**	192
Associated carrying value	**(1,157)**	(81)	**(727)**	(8)
Gain on disposal	**282**	111	**712**	184

Disposal of subsidiary: Sun Packaging Company LLC
During the year, the group sold 51% stake out of its 62.5% stake in Sun Packaging Co LLC (SPC) resulting in loss of control of the subsidiary.

The difference between proceeds from sale of investments and the 51% of group share in net assets from subsidiary is recognised in statement of comprehensive income.

The remaining 11.5% stake in SPC is classified as investments at fair value through profit or loss. The group transferred this investment at fair value through profit or loss at market value as of date of reclassification.

Gross manufacturing revenue and profit of group represents revenue and profit amounting to RO 8,877 thousand and RO 377 thousand for Sun Packaging Company LLC for the nine months period ended 30 September 2011.

b) Unrealised loss on re-measurement of investments

Unrealised loss on re-measurement of quoted investments	**(619)**	(642)	**(453)**	(648)
Unrealised gain (loss) on re-measurement of unquoted investments	**26**	(1,269)	**123**	(1,269)
	(593)	(1,911)	**(330)**	(1,917)

21 Taxation

The tax authorities in Oman follow the legal entity concept. There is no concept of group taxation in Oman. For the entities registered in Oman, the applicable tax rate is 12% (2011 – 12%). For the purpose of determining the taxable result for the year, the accounting results for respective group company has been adjusted for tax purposes. Adjustments for tax purposes include items relating to both income and expense. The adjustments are based on the current understanding of the existing tax laws, regulations and practices.

In respect of Al Anwar Holdings SAOG (the Parent Company), no provision for taxation has been made as the company's taxable profit for the year has been set off against tax losses brought forward from earlier years resulting in a taxable loss. Therefore, the applicable tax rate is nil (2011: nil). The average effective tax rate can not be determined in view of the taxable loss. The Parent Company's tax assessments have been completed by the Oman tax authorities up to 31 March 2008.

	Group 2012 RO'000	Group 2011 RO'000	**Parent Company 2012 RO'000**	Parent Company 2011 RO'000
Current tax for the year	**52**	62	-	-
Deferred:				
- for the year	**45**	(28)	-	-
	97	34	-	-

Reconciliation is as follows:

	Group 2012 RO'000	Group 2011 RO'000	**Parent Company 2012 RO'000**	Parent Company 2011 RO'000
Profit (loss) before taxation	**228**	(1,240)	**741**	(1,700)
Tax charge at applicable rates	**141**	(120)	**89**	(186)
Expenses not deductible	**112**	269	**112**	300
Exempt incomes	**(138)**	(140)	**(138)**	(136)
Deferred tax asset not recognised during the year	**(18)**	25	**(63)**	22
Taxation charge	**97**	34	-	-

Details of unrecognised deferred tax asset in Parent Company are as follows:

	Parent Company	
	2012 RO'000	2011 RO'000
Unrealised gain on unquoted investment	**297**	229
Tax losses	**14**	81
	311	310

Parent company
The tax returns of the Parent Company for the years 2009 to 2011 have not yet been agreed with the Secretariat General for Taxation at the Ministry of Finance. The Management is of the opinion that additional taxes, if any, related to the open tax years would not be significant to the Company's financial position as at 31 March 2012.

Subsidiaries
The tax return of Falcon Insurance Company SAOC for the years 2005 to 2010 have not yet been agreed with the Secretariat General for Taxation at the Ministry of Finance. The management of the company believes that additional taxes, if any, related to the open tax years would not be significant to the statement of financial position of the Company as at 31 December 2011.

21 Taxation (continued)

Al Anwar International Investment LLC is in the process of filing the annual returns of income for the years 2000 to 2010. The Members consider that the amount of additional taxes, if any, that may become payable on finalisation of the above tax years would not be material to the Company's statement of financial position at the end of the reporting period.

Al Anwar Securities SAOC is in the process of filing the annual returns of income for the period 2009 and 2010. The Board of Directors consider that the amount of additional taxes, if any, that may become payable on finalisation of the above tax year would not be material to the Company's financial position at the end of the reporting period.

22 Related party transactions and balances

The Group enters into transactions with entities in which certain members of the Board of Directors have interest and are able to exercise significant influence. In the ordinary course of business, such related parties provide goods, services and funding to the Group. The Group also provides management services and funding to the related parties. These transactions are entered into on terms and conditions, approved by the Board of Directors.

a) During the year, related party transactions were as follows:

	2012	2011
Transactions entered into by the Parent Company	**RO'000**	RO'000
Purchases	**17**	-
Remuneration and meeting attendance fees income	**9**	14
Directors remuneration and sitting fees paid	**14**	18
Transactions entered into by subsidiary companies:		
SPC		
Purchases	-	4
Other expenses	-	6
FIC		
Premiums written	**211**	251
Reinsurance premium paid	-	27
Reinsurance recovery on claims paid	-	6
Claims paid	**392**	68
Commission paid	-	10
Rent received	-	3
Others	-	1

b) The compensation to key Management personnel for the year comprises:

	Group 2012 RO'000	Group 2011 RO'000	**Parent Company 2012 RO'000**	Parent Company 2011 RO'000
Short term employment benefits	**347**	516	**111**	142
End of service benefits	**48**	45	**4**	5
Directors' remuneration and sitting fees	**27**	103	**14**	48
	422	664	**129**	195

The Directors' sitting fees of RO 14,300 (2011: RO 18,050), travel expenses of RO 584 (2011: RO 1,168) and Directors' remuneration of nil (2011: RO nil) paid by the Parent Company is subject to the approval of the shareholders at the Annual General Meeting.

22 Related party transactions and balances (continued)

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

	Group 2012 RO'000	Group 2011 RO'000	Parent Company 2012 RO'000	Parent Company 2011 RO'000
Due from related parties (note 9)				
ABI Precision Castings SAOC	4	4	4	4
Al-Maha Ceramics Company SAOC	-	180	-	180
Al-Anwar Real Estate (under incorporation)	56	-	56	-
VE	275	495	275	495
Taageer	495	149	495	149
Sun Packaging Company	-	-	-	96
In the Books of subsidiary : Falcon Insurance Co. SAOC	162	259	-	-
	992	1,087	830	924
Due to related parties (note 14)				
Al-Anwar International investment LLC	-	-	8	74
Al-Anwar Securities SAOC	-	-	950	950
	-	-	958	1,024

23 Employee related expenses

Total employee related expenses included in operating expenses comprise:

	Group 2012 RO'000	Group 2011 RO'000	Parent Company 2012 RO'000	Parent Company 2011 RO'000
Salaries and wages	820	1,328	124	119
Other benefits	69	227	20	54
Contributions to defined contribution retirement plans for Omani employees	17	24	1	1
Cost of end of service benefits for expatriate employees	25	49	4	5
	931	1,628	149	179

Movement in expatriates' end of service benefits liability recognised in the statement of financial position are as follows:

1 April	155	95	6	12
Effect of disposal of a subsidiary	(101)	-	-	-
Effect of acquisition of a subsidiary	-	32	-	-
Expenses recognised in the profit or loss	25	49	4	5
Paid during the year	(21)	(21)	-	(11)
31 March	58	155	10	6

24 Contingencies

	Group	Group	Parent Company	Parent Company
	2012	2011	**2012**	2011
	RO'000	RO'000	**RO'000**	RO'000
Guarantees issued by Parent Company on behalf of:				
- Subsidiaries	**-**	364	**-**	364
- Associates	**2,258**	2,258	**2,258**	2,258
- Others	**239**	-	**239**	5
	2,497	2,622	**2,497**	2,627
Letters of credit by subsidiary companies	**-**	896	**-**	-
	2,497	3,518	**2,497**	2,627

FIC has a guarantee issued in favour of the Omani Unified Bureau for Orange Card SAOC for an amount of RO 50,000 and RO 56,583 issued for tender purpose from which it is anticipated that no material liabilities will arise.

25 Commitments

	2012	2011
	RO'000	RO'000
Group		
Less than one year	**-**	6
Between one to five years	**-**	35
More than 5 years	**-**	81
	-	122

26 Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk.

This note presents information about the Group exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework and is responsible for developing and monitoring the Group's risk management policies.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities

26 Financial risk management (continued)

Credit risk (continued)

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Group does not require collateral in respect of financial assets. The Group seeks to control credit risk by monitoring credit exposures and continually assessing the creditworthiness of counter parties. Risk is considered minimal by the Group, as the payments are made by the customer as per contractual obligations. Credit risk on debtors is limited to their carrying values as the management regularly reviews these balances to assess recoverability and create provision for balances whose recoverability is in doubt.

The aging of consolidated trade receivables (including insurance premium receivable) at the reporting date was:

	2012		2011	
	Gross RO'000	**Impairment RO'000**	Gross RO'000	Impairment RO'000
Not past due	**629**	**-**	1,834	-
Past due 1 to 90 days	**634**	**-**	2,433	-
Past due 91 to 365 days	**1,654**	**(79)**	1,023	(74)
Past due >365 days	**87**	**(81)**	97	(81)
	3,004	**(160)**	5,387	(155)

The maximum exposure to credit risk for trade receivables, net of impairment provision at the reporting date by geographic region was:

	Carrying amount	
	2012 RO'000	2011 RO'000
Sultanate of Oman and other GCC countries	2,844	4,146
Others	-	1,086

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group uses local banks operating in the Sultanate of Oman to ensure that it has sufficient cash on demand to meet expected operational expenses and sufficient credit facilities to manage its liquidity risk. The maturities of Group's undiscounted consolidated financial liabilities at reporting date is as below:

26 Financial risk management (continued)

Liquidity risk (continued)

31 March 2012	Carrying amount RO'000	Contractual cash flows RO'000	Less than 6 months RO'000	6 months to 1 year RO'000	Above 1 year RO'000
Non-derivative financial liabilities					
Term loans	**6,259**	**(6,259)**	**(945)**	**(946)**	**(4,368)**
Bank borrowings	**487**	**(487)**	**(487)**	**-**	**-**
Gross insurance contract liability	**9,330**	**(9,330)**	**(4,665)**	**(4,665)**	**-**
Trade and other payables	**3,149**	**(3,149)**	**(3,149)**	**-**	**-**
Due to reinsurance	**1,565**	**(1,565)**	**(1,565)**	**-**	**-**
	20,790	**(20,790)**	**(10,811)**	**(5,611)**	**(4,368)**
31 March 2011					
Non-derivative financial liabilities					
Term loans	6,617	(6,617)	(497)	(892)	(5,228)
Bank borrowings	2,781	(2,781)	(2,781)	-	-
Gross insurance contract liability	6,314	(6,314)	(3,157)	(3,157)	-
Trade and other payables	6,315	(6,315)	(6,315)	-	-
Due to reinsurance	959	(959)	(959)	-	-
	22,986	(22,986)	(13,709)	(4,049)	(5,228)

Market risk

Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group invests in securities and has deposits that are subject to interest rate risk. Interest rate risk to the Group is the risk of changes in market interest rates reducing the overall return on its interest bearing securities.

The Group's interest risk policy requires to manage interest risk by maintaining an appropriate mix of fixed and variable rate instruments. The policy also requires it to manage the maturities of interest bearing financial assets and interest bearing financial liabilities. The Group limits interest rate risk by monitoring changes in interest rates in the currencies in which its cash and investments are denominated and has no significant concentration of interest rate risk.

The Group accounts for fixed rate financial assets and interest rates are contractually agreed and remain constant throughout the maturity period.

The Group's interest rate risk as at 31 March 2012 based on contractual arrangements was as follows:

	Up to 6 months RO'000	6 months to 1 year RO'000	1 year to 2 year RO'000	Total RO '000	Effective interest rate %
Bank deposits					
31 March 2012	**1,565**	**2,335**	**-**	**3,900**	**0.05-4.00%**
31 March 2011	1,054	3,604	79	4,737	0.05-5.50%

26 Financial risk management (continued)

Equity price risk

Equity price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Group's equity price risk exposure relates to financial assets and financial liabilities whose values will fluctuate as a result of changes in market prices, principally investment securities not held for the account of unit-linked business.

The Group's price risk policy requires it to manage such risks by setting and monitoring objectives and constraints on investments, diversification plans, limits on investments in each country, sector and market and careful and planned use of derivative financial instruments.

Sensitivity analysis – equity price risk

The 5% change in value of equity securities would impact results and equity by RO 0.225 million (2011: RO 0.186 million)

Currency risk

The Group's exposure to currency risk mainly relates to its investment in Almondz Global Securities and Bank Muscat India fund, in the amount equivalent to RO 0.42 million (2011: RO 0.74 million) at the reporting date. Change of 10% in currency fluctuations would impact results and equity by RO 42,000 (2011: RO 74,000).

Fair value

Management estimates that carrying value of the financial assets and liabilities approximate to their respective fair values at the reporting date.

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	2012		2011	
	RO'000	**RO'000**	RO'000	RO'000
	Level 1	**Level 3**	Level 1	Level 3
Parent Company				
Financial assets at fair value through profit or loss	**393**	**805**	846	518
Group				
Available for sale financial assets	**119**	**140**	114	122
Financial assets at fair value through profit or loss	**3,431**	**805**	2,968	518
	3,550	**945**	3,082	640

26 Financial risk management (continued)

	2012				
	Level 1		Level 3		
	Equity securities RO '000	Debt securities RO '000	Equity securities RO '000	Total RO '000	2011 RO '000
Parent Company					
Opening balance	772	74	518	1,364	4,271
Purchases/transfer from investments	-	-	324	324	39
Sales/transfer to investments	-	-	-	-	(1,029)
Unrealised gain on financial asset at fair value through profit or loss	(452)	(1)	(37)	(490)	(1,917)
	320	73	805	1,198	1,364
Group					
Opening balance	2,894	188	640	3,722	4,453
Arising from acquisition of subsidiary	-	-	-	-	1,969
Purchases/transfer from investments	1,277	-	324	1,601	493
Sales/transfer to investments	(193)	-	-	(193)	(1,283)
Unrealised gain on financial asset at fair value through profit or loss	(620)	4	(19)	(635)	(1,910)
	3,358	192	945	4,495	3,722

Operational risks

Operational risk is the risk of loss arising from system failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss.

The Group cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Group is able to manage the risks.

The Group has detailed systems and procedures manuals with effective segregation of duties, access controls, authorization and reconciliation procedures, staff training and assessment processes etc. with a compliance and internal audit framework. Business risks such as changes in environment, technology and the industry are monitored through the Group's strategic planning and budgeting process.

Governance framework

The primary objective of the Group's risk and financial management framework is to protect the Group's shareholders from events that hinder the sustainable achievement of the set financial performance objectives. Key management recognizes the critical importance of having efficient and effective risk management systems in place.

Capital management framework

The Group has an internal risk management framework for identifying risks to which each of its business units and the Group as a whole are exposed, quantifying their impact on economic capital. The internal framework estimates indicate how much capital is needed to mitigate the risk of insolvency to a selected remote level of risk applied to a number of tests (both financial and non-financial) on the capital position of the business.

26 Financial risk management (continued)

Capital management framework (continued)

For the insurance subsidiary externally imposed capital requirements are set and regulated by the Capital Market Authority and the other relevant regulators are put in place to ensure sufficient solvency margins. Further objectives are set by the Group to maintain a strong credit rating and healthy capital ratios in order to support its business objectives and maximise shareholders value.

The Group manages its capital requirements by assessing shortfalls between reported and required capital levels on a regular basis.

The Group fully complied with the externally imposed capital requirements during the reported financial periods and no changes were made to its capital base, objectives, policies and processes from the previous year.

Regulatory framework

Regulators are primarily interested in protecting the rights of the policy holders and monitor them closely to ensure that the Group is satisfactorily managing affairs for their benefit. At the same time, the regulators are also interested in ensuring that the Group maintains an appropriate solvency position to meet unforeseen liabilities arising from economic shocks or natural disasters.

The operations of the Group are also subject to regulatory requirements within the jurisdictions where it operates. Such regulations not only prescribe approval and monitoring of activities, but also impose certain restrictive provisions (eg capital adequacy) to mitigate the risk of default and insolvency on the part of the insurance companies to meet unforeseen liabilities as these arise.

Insurance risk

The principal risk the Group faces under insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore the objective of the Group is to ensure that sufficient reserves are available to cover these liabilities.

The Group manages the insurance risk through the careful selection and implementation of its underwriting strategy guidelines together with the adequate reinsurance arrangements and proactive claims handling.

The concentration of insurance risk exposure is mitigated by the implementation of the underwriting strategy of the Group, which attempts to ensure that the risks underwritten are well diversified across a large portfolio in terms of type, level of insured benefits, amount of risk, industry and geography. Underwriting limits are in place to enforce risk selection criteria.

The Group principally issues general insurance which constitute mainly marine & aviation and fire & general risks and life assurance contracts.

The Group, in the normal course of business, in order to mitigate financial exposure arising from large claims, enters into contracts with other parties for reinsurance purposes. Such reinsurance arrangements provide for greater diversification of business, allow management to control exposure to potential losses arising from large risks, and provide additional capacity for growth. A significant portion of the reinsurance is effected under treaty, facultative and excess-of-loss reinsurance contracts.

Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts.

26 Financial risk management (continued)

Insurance risk (continued)

To minimise its exposure to significant losses from reinsurer insolvencies, the Group evaluates the fnancial condition of its reinsurers and monitors concentrations of credit risk arising from similar geographic regions, activities or economic characteristics of the reinsures.

The Group only deals with reinsures which are generally international securities that are rated by international rating agencies or other GCC securities.

Although the Group has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to ceded insurance, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance agreements. The Group's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the Group substantially dependent upon any single reinsurance contract.

Sensitivities

The general insurance claims provision is sensitive to the above key assumptions. The analysis below is performed for reasonably possible movements in key assumptions with all other assumptions held constant showing the impact on liabilities and net profit.

	Change in assumptions	Impact on liabilities RO '000	Impact on net profit RO '000
31 December 2011			
Incurred claims	**+10%**	**344**	**344**
Incurred claims	**-10%**	**(344)**	**(344)**
31 December 2010			
Incurred claims	+10%	248	248
Incurred claims	-10%	(248)	(248)

Claims development

The Group maintains strong reserves in respect of its insurance business in order to protect against adverse future claims experience and developments. The uncertainties about the amount and timing of claim payments are normally resolved within one year.

Key assumptions

The principal assumption underlying the estimates is the Group's past claims development experience. This includes assumptions in respect of average claim costs, claim handling costs, claim inflation factors and claim numbers for each accident year. Additional qualitative judgments are used to assess the extent to which past trends may not apply in the future, for example once-off occurrence, changes in market factors such as public attitude to claiming, economic conditions, as well as internal factors such as portfolio mix, policy conditions and claims handling procedures. Judgment is further used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates.

Other key assumptions include variation in interest rates, delays in settlement and changes in foreign currency rates.

27 Critical accounting estimate and judgements

In the process of preparing these financial statements, Management has made use of a number of judgments relating to the application of accounting policies which are described in note 2. Those which have the most significant effect on the reported amounts of assets, liabilities, income and expense are listed below.

These judgments are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management believes that the following discussion addresses the accounting policies that require judgments.

Classification of investment

Quoted Securities could be classified either as available for sale or at fair value through profit or loss. The Group invests substantially on quoted securities either locally or overseas and management has primarily decided to account for them as held for trading and recognizes them at fair value through profit or loss.

Financial assets are classified as fair value through profit or loss where the assets are either held for trading or designated as at fair value through profit or loss.

Impairment of financial assets

The Group determines whether available for sale equity financial assets are impaired when there has been a significant or prolonged decline in their fair value below cost. This determination of what is significant or prolonged requires judgment. In making this judgment and to record whether impairment occurred, the Group evaluates among other factors, the normal volatility in share price, the financial health of the investee, industry and sector performance, changes in technology and operational and financial cash flows.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels

The key assumptions concerning the future, and other key sources of estimation uncertainty at the statement of reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Claims made under insurance contracts

Claims and loss adjustment expenses are charged to income as incurred based on the estimated liability for compensation owed to contract holders or third parties damaged by the contract holders. Liabilities for unpaid claims are estimated using the input of assessments for individual cases reported to the Group and management estimations for the claims incurred but not reported. The method for making such estimates and for establishing the resulting liability is continually reviewed. Any difference between the actual claims and the provisions made are included in the statement of comprehensive income in the year of settlement.

27 Critical accounting estimate and judgements (continued)

Impairment of Insurance and other receivables

An estimate of the collectible amount of insurance and other receivables is made when collection of the full amount is no longer probable. This determination of whether these insurance and other receivables are impaired, entails the Group evaluating, the credit and liquidity position of the policy holders and the insurance companies, historical recovery rates including detailed investigations carried out during 2011 and feedback received from their legal department. The difference between the estimated collectible amount and the book amount is recognized as an expense in the statement of comprehensive income. Any difference between the amounts actually collected in the future periods and the amounts expected will be recognized in the statement of comprehensive income at the time of collection.

Liability adequacy test

At each statement of financial position, liability adequacy tests are performed to ensure the adequacy of insurance contract liabilities. The Group makes use of the best estimates of future contractual cash flows and claims handling and administration expenses, as well as investment income from the assets backing such liabilities in evaluating the adequacy of the liability. Any deficiency is immediately charged to the statement of comprehensive incomes.

28 Operating segments

Primary reporting format – business segments

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

a) Industrial segment, which is engaged in producing and distributing different industrial products such as printed packaging materials; and

b) Investment segment, which is engaged in investment in projects and their management. Investment segment is the only business segment in the Parent Group, hence not been disclosed separately.

c) Insurance segment, which is engaged in the underwriting of general insurance and group & individual life insurance business within the Sultanate of Oman.

There are sales and other transactions between the business segments. Segment assets consist primarily of property, plant and equipment, Insurance assets, inventories, receivables, operating cash, and investments. Segment liabilities comprise operating liabilities. Common costs are allocated between the segments on relevant bases such as time devoted, turnover and space occupied.

Financial information in respect of the segments is presented in Schedule I on page 47.

28 Operating segments (continued)

Secondary reporting format - Geographical segments

The Group operates primarily from the Sultanate of Oman and there are no distinguishable geographical operating segments. However the geographical profile of sales revenue and trade accounts receivable based on location of customers is shown below:

	2012	2011	**2012**	2011
	Operating income	Operating income	**Trade receivable**	Trade receivable
	RO'000	RO'000	**RO'000**	RO'000
Sultanate of Oman and GCC countries	**4,487**	4,943	**3,004**	4,301
Others	**4,964**	5,150	**-**	1,086
	9,451	10,093	**3,004**	5,387

29 Comparative figures

Certain comparative information has been reclassified to conform to the presentation adopted in these consolidated and Parent Company financial statements.

Schedule I – Operating segments

	Industrial segment		Investment segment		Insurance segment		Group	Group
	2012	2011	**2012**	2011	**2012**	2011	**2012**	2011
	RO'000	RO'000	**RO'000**	RO'000	**RO'000**	RO'000	**RO'000**	RO'000
Income								
Operating income	**8,877**	9,662	**-**	-	**-**	-	**8,877**	9,662
Dividend income	**-**	-	**64**	61	**-**	-	**64**	61
Share of profits of associates	**-**	-	**1,500**	1,425	**-**	-	**1,500**	1,425
Profit on sale of investment	**-**	-	**299**	131	**-**	-	**299**	131
Other income	**53**	35	**47**	41	**148**	122	**248**	198
Gross premium	**-**	-	**-**	-	**9,891**	5,565	**9,891**	5,565
Reinsurer's share	**-**	-	**-**	-	**(6,219)**	(3,917)	**(6,219)**	(3,917)
	8,930	9,697	**1,910**	1,658	**3,820**	1,770	**14,660**	13,125
Expenses								
Cost of sales	**(7,583)**	(8,015)	**-**	-	**-**	-	**(7,583)**	(8,015)
Gross claims incurred	**-**	-	**-**	-	**(6,549)**	(3,721)	**(6,549)**	(3,721)
Reinsurance and other recoveries	**-**	-	**-**	-	**3,516**	2,443	**3,516**	2,443
Unrealised loss on investment properties	**-**	-	**-**	(148)	**-**	-	**-**	(148)
Unrealised loss on investment	**-**	-	**(427)**	(1,911)	**(75)**	-	**(502)**	(1,911)
Provision for impairment on investment	**-**	-	**-**	(64)	**-**	-	**-**	(64)
Others	**-**	-	**-**	-	**(377)**	(198)	**(377)**	(198)
	(7,583)	(8,015)	**(427)**	(2,123)	**(3,485)**	(1,476)	**(11,495)**	(11,614)
Net income	**1,347**	1,682	**1,483**	(465)	**335**	294	**3,165**	1,511
Other operating expenses	**(667)**	(841)	**(317)**	(378)	**(1,357)**	(799)	**(2,341)**	(2,018)
Finance charges	**(243)**	(374)	**(349)**	(357)	**(4)**	(2)	**(596)**	(733)
Profit (loss) before income tax	**437**	467	**817**	(1,200)	**(1,026)**	(507)	**228**	(1,240)
Taxation	**(60)**	(69)	**-**	-	**(37)**	35	**(97)**	(34)
Profit (loss) for the year	**377**	398	**817**	(1,200)	**(1,063)**	(472)	**131**	(1,274)
Total assets	**-**	9,435	**22,507**	14,894	**13,187**	16,954	**35,694**	41,283
Total liabilities	**-**	7,489	**7,033**	1,696	**7,967**	10,694	**15,000**	19,879