

Auditors Report	English 01/01/2024-31/12/2024
DISCLOSURE AUDITOR'S REPORT	
DISCLOSURE OF AUDITOR'S REPORT	
AUDITOR'S OPINION	
Unmodified Opinion	Yes
Qualified Opinion	No
Adverse Opinion	No
Disclaimer of Opinion	No
AUDITOR'S OPINION BASIS	
Opinion and basis of Opinion	Ref #1
Key Audit Matters	Ref #2
Other Matter	Ref #3
Other information	Ref #4
Responsibilities of Management and Those Charged with Governance for the Financial Statements	Ref #5
Auditor's Responsibilities for the Audit of the Financial Statements	Ref #6
Report on Other Legal and Regulatory Requirements	Ref #7

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Opinion

We have audited the financial statements of Construction Materials Industries SAOG, (“the Company”), which comprise the statement of financial position as at 31 December 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024 and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the ‘Auditor’s responsibilities for the audit of the financial statements’ section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code), together with the ethical requirements that are relevant to our audit of the Company’s financial statements in the Sultanate of Oman, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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INDEPENDENT AUDITOR’S REPORT TO THE SHAREHOLDERS OF CONSTRUCTION MATERIALS INDUSTRIES SAOG (continued)

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report:

Key audit matter	How our audit addressed the key audit matter
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Inventories and provision for slow-moving inventories (refer note 7)

The value of inventories and the provision for slow-moving inventories at the end of the reporting period amounted to RO 2,439,619 and RO 691,906 respectively. The inventories consist of raw materials, finished goods, stores, spares and packing materials. Inventories are valued at lower of cost and net realizable value.

We considered this area as a key audit matter owing to the materiality of the amounts involved. Further, the assessing of the net realizable value of the inventory and the provision for slow-moving inventories involves the use of significant judgment and estimation procedures by the management.

Our audit procedures included, amongst others:

- Ascertaining the existence of inventories and observing the physical inventory count as on the reporting date.
- Obtaining understanding of the process and controls in place for valuation and provision of inventories.
- On a sample basis, comparing specific purchases and directly attributable cost with underlying supporting documents.
- Ascertaining the NRV and comparing, on a sample basis, to the cost of inventories.
- Assessing the reasonableness of management’s estimate of provision for inventories.
- Considering the adequacy of the related disclosures and assessed whether these are in accordance with the applicable financial and reporting standards.

Property, plant and equipment (refer note 4)

Property plant and equipment represents around 60% (RO 3.2 million) of the total assets on the statement of financial position. of which RO 1.5 million were acquired and capitalized within the year. If these assets were to the impaired, it would have a significant impact on the statement of comprehensive income and statement of financial position of the Company and accordingly property, plant and equipment considered as a key audit matter

- Our audit procedure includes the following:
- Evaluate the design and implementation of controls for identification and assessment of any potential impairment related to property plant and equipment.
 - Evaluated whether impairment indicators exist.
 - Evaluated the accuracy of capital additions made during the year.
 - Verified the existence of property plant and equipment and the reasonableness of depreciation charge made during the year
 - Considering the adequacy of the related disclosures and assessed whether these are in accordance with the applicable financial and reporting standards.

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Other matters

The financial statements of the Company for the year ended 31 December 2023 were audited by another auditor, whose report dated 24 February 2024, expressed an unmodified opinion on those financial statements.

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Other information

Management is responsible for the other information. Other information consists of the information included in the Company’s 2024 Annual Report but does not include the financial statements and our auditor’s report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standard, the relevant requirements of the Commercial Companies Law of the Sultanate of Oman, the disclosure requirements for public joint stock companies issued by the Financial Services Authority and for such internal control as they determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governances are responsible for overseeing the Company’s financial reporting process.

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Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable action taken to eliminate threats or safeguards applied.

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

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Report on other legal and regulatory requirements

We report that the financial statements of the Company as at and for the year ended 31 December 2024 comply in all material respects, with the applicable provisions of the Commercial Companies Law of the Sultanate of Oman, and the relevant disclosure requirements for Public Joint Stock Companies issued by the Financial Services Authority.

Auditors Report	English
	01/01/2024-31/12/2024
DISCLOSURE OF AUDITOR'S DETAILS	
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Name of partner signing off auditor's report	Karl Jackson
Registration number of partner signing off auditor's report	8007925
Name of audit firm	Crowe Mak Ghazali LLC
Registration number of Audit firm	1488627
Date of certification from auditor	15/02/2025