

RENAISSANCE SERVICES SAOG AND ITS SUBSIDIARY COMPANIES
INTERIM REPORT FOR THE PERIOD ENDED 30TH JUNE 2021

	6 months ended 30th June 2021 Amount Rial '000	6 months ended 30th June 2020 Amount Rial '000
Total assets	227,441	207,348
Total liabilities	145,331	131,255
Net assets (excluding Minority Interest)	61,760	58,128
Net assets per share (Rial)	0.289	0.272
Current ratio	1.4	1.5

	6 months ended 30th June 2021 Amount Rial '000	6 months ended 30th June 2020 Amount Rial '000
Gross profit	9,934	11,184
Gross profit margin %	19%	21%
Net profit after tax	5,373	5,370
Net profit after minority interest	3,977	4,039
Earnings per share (Rial)	0.019	0.019

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Unaudited consolidated balance sheet as at
30th June 2021

	Notes	6 months ended 30th June 2021 Amount Rial '000	6 months ended 30th June 2020 Amount Rial '000
Non current assets			
Property, plant and equipment & right of use asset		145,318	129,876
Intangible assets		1,966	2,023
Investments - FVTOCI	5,6,7	5,102	3,710
		152,386	135,609
Current assets			
Inventories	1	6,171	5,311
Trade receivables & Prepayments	2&9	37,995	41,111
Receivables from related parties		274	215
Investments - FVTPL	5,6,7&9	3,583	1,514
Bank and cash		27,032	23,588
		75,055	71,739
		Current assets	71,739
		Total assets	227,441
		227,441	207,348
Current liabilities			
Trade & other creditors		47,134	41,552
Payable to related parties		146	-
Bank overdrafts and short term loans	4	14	2,017
Term loans - current portion	4	4,469	4,225
		51,763	47,794
		Current liabilities	47,794
Long term liabilities			
Term loans	4	83,275	73,515
Non current payables and advance (including lease liabilities)		5,512	5,385
Staff terminal benefits		4,781	4,561
		93,568	83,461
		Total Liabilities	131,255
		145,331	131,255
Net assets	TOTAL -A	82,110	76,093
Capital and reserves			
Share capital		23,641	23,641
Treasury shares	6	(6,853)	(6,853)
Share premium		26,936	26,936
Legal reserve		8,574	8,343
Subordinated loan reserve		2,250	3,000
Other reserves		499	166
Retained earnings		2,736	(1,144)
Profit for the period		3,977	4,039
		61,760	58,128
Minority interest		20,350	17,965
	TOTAL-B	82,110	76,093

RENAISSANCE SERVICES SAOG AND ITS SUBSIDIARY COMPANIES
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Unaudited consolidated income statement
For the six months ended
30th June 2021

	6 months ended 30th June 2021	6 months ended 30th June 2020
	Amount Rial '000	Amount Rial '000
Turnover	52,743	54,532
Gross profit	<u>9,934</u>	<u>11,184</u>
Administration & general expenses	(2,552)	(3,730)
Operating profit	<u>7,382</u>	<u>7,454</u>
Investment and other income	253	295
Finance charges	(2,248)	(2,372)
Profit before tax	<u>5,387</u>	<u>5,377</u>
Tax	(14)	(7)
Profit for the period	<u>5,373</u>	<u>5,370</u>
Minority interest (Note 5)	(1,396)	(1,331)
Net profit attributable to Ordinary Shareholders	<u>3,977</u>	<u>4,039</u>
Dividend per share (Rial)	0.020	0.020
Net profit margin (%)	10.2%	9.8%

**RENAISSANCE SERVICES SAOG AND ITS SUBSIDIARY COMPANIES
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Unaudited consolidated statement of cash flows
For the six months ended
30th June 2021

	6 months ended 30th June 2021 Amount Rial '000	6 months ended 30th June 2020 Amount Rial '000
Cash from operations	12,580	9,862
Net tax (paid)/refund received	(840)	182
Net interest paid	(2,000)	(2,130)
Net cash from operating activities	9,740	7,914
Net cash used in investing activities	(9,486)	(7,151)
Net cash from/(used) in financing activities	6,535	(10,970)
Net increase / (decrease) in cash & cash equivalents	6,789	(10,207)
Cash and cash equivalents brought forward	20,229	33,778
Cash and cash equivalents carried forward	27,018	23,571



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Unaudited consolidated statement of changes in equity
For the six months ended
30th June 2021

	Share Capital	Share Premium	Legal Reserve	Retained earnings	Total Rial '000
1st January 2021	23,641	26,936	8,574	7,007	66,158
Net profit for the period	-	-	-	3,977	3,977
Income from treasury shares	-	-	-	457	457
Dividend declared	-	-	-	(4,728)	(4,728)
30th June 2021	23,641	26,936	8,574	6,713	65,864
1st January 2020	23,641	26,936	8,341	3,362	62,280
Net profit for the period	-	-	-	4,039	4,039
Income from treasury shares	-	-	-	457	457
Dividend declared	-	-	-	(4,728)	(4,728)
Transactions with MI	-	-	2	(235)	(233)
30th June 2020	23,641	26,936	8,343	2,895	61,815



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Notes

1. Inventories

Inventories can be analysed as follows:

	6 months ended 30th June 2021 Amount Rial '000	6 months ended 30th June 2020 Amount Rial '000
Catering stock and consumables	<u>6,171</u>	<u>5,311</u>

2. Trade receivables & Prepayments

Trade receivables can be analysed as follows

	6 months ended 30th June 2021 Amount Rial '000	6 months ended 30th June 2020 Amount Rial '000
Trade receivables and Prepayments & advances	40,467	43,297
Less: Provisions	(2,472)	(2,186)
	<u>37,995</u>	<u>41,111</u>

3. Segment Reporting

Renaissance currently operates one business segment, Integrated Facilities Management (IFM).

4. Bank loans and overdrafts

These can be analysed as follows:

	6 months ended 30th June 2021 Amount Rial '000	6 months ended 30th June 2020 Amount Rial '000
Term loans	87,744	77,740
Short term loans	-	2,000
Bank Overdrafts	<u>14</u>	<u>17</u>
	87,758	79,757
Current maturities of term loans	(4,469)	(4,225)
Short term loans and overdrafts	<u>(14)</u>	<u>(2,017)</u>
Long term portion of term loans	<u>83,275</u>	<u>73,515</u>

The bank loans and working capital borrowings are secured by charge over certain assets of the company and its subsidiaries and corporate guarantee. The bank loans and overdrafts bear commercial rates.

Renaissance has concluded debt financing of RO 25.6 million for expansion of its accommodation facilities in Duqm and has drawdown RO 14.8 million until H1 2021.

The maturity of long term loans:

	6 months ended 30th June 2021 Amount Rial '000	6 months ended 30th June 2020 Amount Rial '000
Due within one year	4,469	4,225
Due after one year	83,275	73,515
	<u>87,744</u>	<u>77,740</u>

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5. Investments in associates and subsidiaries

Subsidiaries

Investments in subsidiaries are accounted for using the consolidated method as per International Financial Reporting Standards ("IFRS").

The principal operating subsidiaries of Renaissance Services SAOG (RS or the company) are as follows:

Company	30th June 2021 Holding %	30th June 2020 Holding %
1) Tawoos Industrial Services Company SAOC (TISCO)	100%	100%
2) Renaissance Duqm Holding SAOC (RDH)	54.8%	52.8%

Subsidiaries of TISCO

1) Rusail Catering & Cleaning Services LLC (RCCS)	100%	100%
2) Renaissance Sager Environment Solutions LLC (RS SAGER)	51%	51%
3) Renaissance Contract Services International LLC (RCSI)	100%	100%
4) Renaissance Facilities Management Company SAOC (RFMC)	100%	100%

Subsidiary of RDH

1) Renaissance Duqm Accommodation Company SAOC (RDAC)	100%	100%
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RCSI through its subsidiaries in UAE, provides catering and allied services.

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6. Investments

Investments include all long term and short term investments of the company, excluding only those associates and subsidiaries listed in Note 5. Marketable Securities are carried at their open market value.

Unquoted and other investments are carried at cost adjusted for any appreciation or diminutions in value.

Investments can be analysed as follows:

	Market Value 6 months ended 30th June 2021 Amount Rial '000	Market Value 6 months ended 30th June 2020 Amount Rial '000	Book Value 6 months ended 30th June 2021 Amount Rial '000	Book Value 6 months ended 30th June 2020 Amount Rial '000
Short Term investments				
Marketable securities - Oman				
Banking	-	-	-	-
Investments	-	-	-	-
Insurance	-	-	-	-
Services	-	-	-	-
Industrial	-	-	-	-
Government Bonds	-	-	-	-
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Marketable securities - Foreign				
Banking	-	-	-	-
Investments	-	-	-	-
Industrial	-	-	-	-
Bonds	-	-	-	-
<hr/>				
Unquoted and other investments				
Unquoted Omani shares	-	-	-	-
Investment fund units	3,577	1,514	3,577	1,514
Term deposits	-	-	-	-
Unquoted foreign shares	-	-	-	-
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	3,577	1,514	3,577	1,514

Long Term investments

Long term investments of RO 5,102 K (2020: RO 3,710K) represents market value of investments in Omani, GCC and Foreign quoted shares, bonds and other fixed income instruments. These investments are classified as measured at fair value through other comprehensive income (FVTOCI). The movement in the market value of these investments have been recognised in the statement of other comprehensive income and disclosed under other reserves in the balance sheet. Gains and losses accumulated in the statement of other comprehensive income are reclassified to the profit or loss account upon sale of fixed income instruments.

A subsidiary company holds 22,829,241 shares (2020 - 22,829,241 shares) in Renaissance Services SAOG. Cost of these treasury shares of Rial 6,853K (2020: Rial 6,853K) has been shown as a deduction from equity.

6a. Investment income

Realised

Realised investment income represents gains and losses on disposal of investments and other realised investment related gains and losses. (and income earned out of investments).

Unrealised

Marketable securities are recorded at their open market value. Movements in the carrying values of marketable securities are taken to unrealised investment income.

	6 months ended 30th June 2021 Amount Rial '000	6 months ended 30th June 2020 Amount Rial '000
Investment income can be analysed as follows		
Realised	149	260
Unrealised	452	101
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	601	361

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7. Details of significant Investments

Details of all the reporting company's investments including Associates/Subsidiaries for which either the reporting company's holdings represent 10% or more of the issued share capital or the reporting company's holdings exceed 10% of the market value of the reporting company's investment portfolio are provided as follows as on:-

30th June 2021

	Holding %	Number of Securities	Market Value Amount Rial '000	Book Value Amount Rial '000	Cost Amount Rial '000
MSM Quoted Securities	0%	-	-	-	-
Foreign Listed Securities	0%	-	-	-	-
		-	-	-	-
As of 30th June 2021		-	-	-	-

	Holding %	Book Value Amount Rial '000	Cost Amount Rial '000
MSM Unquoted Securities	0%	-	-
Total as of 30th June 2021		-	-
Foreign Unlisted Securities	0%	-	-
Total as of 30th June 2021		-	-

8. Related parties & holders of 10% of company shares.

The nature of significant transactions involving related parties holding 10% or more of the company's shares and the amounts involved during the period were as follows:

Income items

	6 months ended 30th June 2021 Amount Rial '000	6 months ended 30th June 2020 Amount Rial '000
Tawoos LLC - Services	5	5
	5	5

Expense Items

The nature of significant transactions involving related parties holding 10% or more of the company's shares and the amounts involved during the period were as follows:

	6 months ended 30th June 2021 Amount Rial '000	6 months ended 30th June 2020 Amount Rial '000
Tawoos LLC	-	-
	-	-

8a. Loans, Advances, Receivables due, Provisions & write offs

Loans, advances or receivables due from related parties holding 10% or more of the company's shares minus all provisions and write-offs which have been made on these accounts at any time, are further analysed as follows:

	6 months ended 30th June 2021 Amount Rial '000	6 months ended 30th June 2020 Amount Rial '000
Tawoos LLC	12	14
	12	14

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9. Provisions

Changes to the level of provisions during the period can be analysed as follows.

Provisions for :	Receivables & Prepayments	Value of Investments	Inventories	Total Amount Rial '000
Beginning balance of Provision	2,375	-	-	2,375
Provided during the period	97	-	-	97
Transfer during the period	-	-	-	-
(Written off) during the period	-	-	-	-
Provision balance as of 30th June 2021	2,472	-	-	2,472
Book value of Assets:	Receivable & Prepayments	Value of Investments	Inventories	Total Amount Rial '000
Value of assets before provision	40,467	8,685	6,171	55,323
Provision balance as of 30th June 2021	(2,472)	-	-	(2,472)
Book value of assets as of 30th June 2021	37,995	8,685	6,171	52,851

10. Shareholders

All the shareholders of the company who own 10% or more of the company's shares and the number of shares they hold are as follows:

	6 months ended 30th June 2021 No of shares	6 months ended 30th June 2020 No of shares
Common Share holders:		
Cyclical Services LLC	34,408,309	34,408,309
Tawoos LLC	27,381,324	27,381,324
Preferred Shareholders:		
Nil	-	-
	61,789,633	61,789,633