

OMAN OIL MARKETING COMPANY SAOG

Notes to the unaudited financial statements

(Forming part of the financial statements)



1) Property, plant and equipment

	Buildings RO	Plant, equipment and vehicles RO	Assets under construction RO	Total RO
Balance at 1 January 2009, net of accumulated depreciation	4,117,179	10,141,079	3,352,439	17,610,697
Additions	-	6,701	2,081,752	2,088,453
Transfers	1,824,617	2,664,001	(4,488,618)	0
Disposals	0	(63,327)	-	(63,327)
Depreciation for the period	(259,607)	(1,566,530)	-	(1,826,137)
Balance at 30 Sep 2009, net of accumulated depreciation	5,682,189	11,181,924	945,573	17,809,686
Property, plant and equipment:				
Cost	7,006,667	20,933,195	945,573	28,885,435
Accumulated depreciation	(1,324,478)	(9,751,271)	-	(11,075,749)
Net carrying amount 30 Sep 2009	5,682,189	11,181,924	945,573	17,809,686

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2) Inventories

	30/09/2009 RO	30/09/2008 RO	31/12/2008 RO
Oil and lubricants	4,166,338	3,420,895	4,276,909
Stores	7,497	7,497	7,497
Provision for slow moving stock	(27,500)	0	0
	<u>4,146,335</u>	<u>3,428,392</u>	<u>4,284,406</u>

3) Accounts receivable and prepayments

	30/09/2009 RO	30/09/2008 RO	31/12/2008 RO
Trade receivables	18,886,249	17,210,022	15,586,675
Less : impairment provision	(995,167)	(868,437)	(822,668)
	<u>17,891,082</u>	<u>16,341,585</u>	<u>14,764,007</u>
Amounts due from related parties	551,020	36,032	532,452
Other receivables	487,897	641,770	562,235
Prepaid expenses	915,036	971,011	947,800
	<u>19,845,035</u>	<u>17,990,398</u>	<u>16,806,494</u>

Accounts receivable and prepayments

Changes to the level of impairment provision for trade receivable during the period are as follows

	30/09/2009 RO	30/09/2008 RO	31/12/2008 RO
Balance at 1 January	822,668	954,848	954,848
(Written back)/provided during the period	177,412	(55,530)	(20,162)
Written off during the period - net	(4,913)	(30,881)	(112,018)
	<u>995,167</u>	<u>868,437</u>	<u>822,668</u>

4) Number of Shares

	30/09/2009 Number of shares	30/09/2008 Number of shares	31/12/2008 Number of shares
3,225,000 Multi-vote shares of RO 0.1 each	3,225,000	3,225,000	3,225,000
61,275,000 Ordinary shares of RO 0.1 each	61,275,000	61,275,000	61,275,000
	<u>64,500,000</u>	<u>64,500,000</u>	<u>64,500,000</u>

	30/09/2009 Number of shares	30/09/2008 Number of shares	31/12/2008 Number of shares
Oman Oil Company SAOC – Multi-vote shares	3,225,000	3,225,000	3,225,000
– Ordinary shares	28,380,000	28,380,000	28,380,000
	<u>31,605,000</u>	<u>31,605,000</u>	<u>31,605,000</u>

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5) Employee's end of service benefits

	30/09/2009 RO	30/09/2008 RO	31/12/2008 RO
Movements in the liability recognised in the balance sheet are as follows:			
Accrual as at 1 January	210,839	329,806	329,806
Accrued during the period	18,068	45,503	51,780
End of service benefits paid / adjustment	(54,811)	(153,009)	(170,747)
Accrual as at 30 Sep	<u>174,096</u>	<u>222,300</u>	<u>210,839</u>

6) Accounts payable and accruals

	30/09/2009 RO	30/09/2008 RO	31/12/2008 RO
Trade accounts payable	13,025,303	12,068,920	14,341,501
Accrued expenses	2,725,850	2,645,855	2,616,152
Directors' remuneration	56,025	50,625	76,549
Other payables	317,555	146,375	
	<u>16,124,733</u>	<u>14,911,775</u>	<u>17,034,202</u>

7) Income tax

	30/09/2009 RO	30/09/2008 RO	31/12/2008 RO
<i>Current liability:</i>			
Current period	510,280	671,000	827,000
Prior years	78,160	36,245	36,245
	<u>588,440</u>	<u>707,245</u>	<u>863,245</u>
<i>Income statement:</i>			
Current period	510,280	671,000	827,000
Reversal of excess tax provision relating to earlier years	0	0	0
Deferred tax asset relating to the origination and reversal of temporary differences	0	0	55,486
	<u>510,280</u>	<u>671,000</u>	<u>882,486</u>
<i>Deferred tax asset:</i>			
At 1 January	(9,438)	46,048	46,048
Movement for the period	0	0	(55,486)
At 30 Sep	<u>(9,438)</u>	<u>46,048</u>	<u>(9,438)</u>

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8) Environmental provision

	30/09/2009	30/09/2008	31/12/2008
	RO	RO	RO
Balance as at 1 January	526,372	590,847	590,847
Provided during the period	3,050	270,000	2,554
Utilised	(48,615)	(48,975)	(67,029)
	<u>480,807</u>	<u>811,872</u>	<u>526,372</u>

9) Employee costs

	30/09/2009	30/09/2008	31/12/2008
	RO	RO	RO
Wages and salaries	(1,009,420)	(848,571)	(1,168,931)
Other benefits	(1,085,705)	(948,495)	(1,267,694)
Contributions to a defined contribution retirement plan	(76,308)	(63,341)	(87,088)
Increase in liability for unfunded defined benefits retirement plan	(18,068)	(45,503)	(51,780)
	<u>(2,189,501)</u>	<u>(1,905,910)</u>	<u>(2,575,493)</u>

10) Net finance (charges) income

	30/09/2009	30/09/2008	31/12/2008
	RO	RO	RO
Interest expense	(98,608)	(88,793)	(144,103)
Interest income	16,964	37,391	52,853
	<u>(81,644)</u>	<u>(51,402)</u>	<u>(91,250)</u>

11) Weighted average earnings per share

	30/09/2009	30/09/2008	31/12/2008
	RO	RO	RO
Net profit for the period after deducting Directors' remuneration	3,742,057	4,828,698	6,322,845
Weighted average number of shares outstanding during the period	64,500,000	64,500,000	64,500,000
Weighted average earnings per share	0.058	0.075	0.098

12) Legal reserves

As required by the Commercial Companies Law of the Sultanate of Oman, 10% of the profit of each year is transferred to a legal reserve until the reserve reaches a minimum one third of the issued share capital. The company has resolved to discontinue any further transfers to this reserve, as the reserve equals one-third of the issued share capital. This reserve is not available for distribution.

13) Reconciliation of cash

For the purpose of statement of cash flows, cash includes bank balance and cash.

14) Short term loan

The loan is repayable within one year of the balance sheet date. The loan is unsecured and carried interest at current market rates.

15) Segmental information

The company's operating revenues arise primarily from the marketing and distribution of petroleum products in Oman.