

OMAN OIL MARKETING COMPANY SAOG

1) Notes to the unaudited financial statements

(Forming part of the financial statements)



Property, plant and equipment				
	Buildings	Plant, Equipment and vehicles	Assets under Construction	Total
	RO	RO	RO	RO
Balance at 1 January 2011, net of accumulated depreciation	5,937,864	10,796,817	3,111,045	19,845,726
Additions	-	8,934	1,223,236	1,232,170
Transfers	428,880	734,993	(1,163,873)	0
Disposals	0	0	-	0
Depreciation for the period	(102,817)	(548,635)	-	(651,452)
	=====	=====	=====	=====
Balance at 31 Mar 2011, net of accumulated depreciation	6,263,927	10,992,109	3,170,408	20,426,444
	=====	=====	=====	=====
Property, plant and equipment:				
Cost	8,128,931	23,258,638	3,170,408	34,557,977
Accumulated depreciation	(1,865,003)	(12,266,529)	-	(14,131,532)
	=====	=====	=====	=====
Net carrying amount	6,263,928	10,992,109	3,170,408	20,426,444
	=====	=====	=====	=====

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2) Inventories

	31/03/2011	31/03/2010	31/12/2010
	RO	RO	RO
Oil and lubricants	3,865,660	3,192,168	2,982,315
Stores	7,498	7,497	7,497
Provision for slow moving stock	(15,000)	(108,500)	(45,000)
	<u>3,858,158</u>	<u>3,091,165</u>	<u>2,944,812</u>

3) Accounts receivable and prepayments

	31/03/2011	31/03/2010	31/12/2010
	RO	RO	RO
Trade receivables	22,250,381	18,657,063	20,261,334
Less : impairment provision	(661,037)	(982,654)	(751,144)
	<u>21,589,344</u>	<u>17,674,409</u>	<u>19,510,190</u>
Amounts due from related parties	451,023	438,959	661,729
Other receivables	373,917	526,182	422,544
Prepaid expenses	1,839,618	1,046,676	1,217,698
	<u>24,253,902</u>	<u>19,686,226</u>	<u>21,812,161</u>

Accounts receivable and prepayments

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

	31/03/2011	31/03/2010	31/12/2010
	RO	RO	RO
Balance at 1 January	751,144	839,907	839,907
Writeback/Provided during the year	(87,108)	142,747	(2,683)
Written off during the year - net	(2,999)	0	(86,080)
	<u>661,037</u>	<u>982,654</u>	<u>751,144</u>

4) Number of Shares

	31/03/2011	31/03/2010	31/12/2010
	Number of shares	Number of shares	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>

	31/03/2011	31/03/2010	31/12/2010
	Number of shares	Number of shares	Number of shares
	3,225,000	3,225,000	3,225,000
	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


	31/03/2011 RO	31/03/2010 RO	31/12/2010 RO
Movements in the liability recognised in the balance sheet are as follows:			
Accrual as at 1 January	187,717	178,265	178,265
Accrued during the year	8,992	3,595	42,005
End of service benefits paid / adjustment	0	0	(32,553)
	<u>196,709</u>	<u>181,861</u>	<u>187,717</u>

6) Accounts payable and accruals

	31/03/2011 RO	31/03/2010 RO	31/12/2010 RO
Trade accounts payable	17,154,678	14,576,435	17,977,752
Accrued expenses	6,804,070	4,048,172	7,557,097
Directors' remuneration	31,500	20,250	81,000
Other payables	169,380	192,887	0
Dividends payables	2,709,000	2,257,500	0
	<u>26,868,628</u>	<u>21,095,244</u>	<u>25,615,849</u>

7) Income tax

	31/03/2011 RO	31/03/2010 RO	31/12/2010 RO
<i>Current Assets:</i>			
Current year	256,000	215,526	961,977
Prior years	108,515	88,246	88,244
	<u>364,515</u>	<u>303,772</u>	<u>1,050,221</u>
<i>Income statement:</i>			
Current year	256,000	215,526	961,977
Reversal of excess tax provision relating to earlier years	0	0	(5,445)
Deferred tax asset relating to the origination and reversal of temporary differences	0	0	0
	<u>256,000</u>	<u>215,526</u>	<u>956,532</u>
<i>Deferred tax assets:</i>			
At 1 January	9,776	4,331	4,331
Movement for the period	0	0	5,445
	<u>9,776</u>	<u>4,331</u>	<u>9,776</u>

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8) Environmental provision				
	31/03/2011	31/03/2010	31/12/2010	
	RO	RO	RO	
Balance as at 1 January	479,007	480,807	480,807	
Provided during the period	6,650	0	22,945	
Utilised	(6,650)	(1,800)	(24,745)	
	=====	=====	=====	
Balance as at 31 March/December	479,007	479,007	479,007	
	=====	=====	=====	
9) Employee costs				
	31/03/2011	31/03/2010	31/12/2010	
	RO	RO	RO	
Wages and salaries	(388,685)	(361,846)	(1,509,219)	
Other benefits	(490,074)	(381,632)	(1,890,944)	
Contributions to a defined contribution retirement plan	(28,248)	(26,945)	(109,177)	
Increase in liability for unfunded defined benefits retirement plan	(8,993)	(3,595)	(42,005)	
	=====	=====	=====	
	(916,000)	(774,019)	(3,551,345)	
	=====	=====	=====	
10) Net finance (charges) income				
	31/03/2011	31/03/2010	31/12/2010	
	RO	RO	RO	
Interest expense	(20,780)	(6,004)	(69,918)	
Interest income	62,061	16,817	168,570	
	=====	=====	=====	
Net finance (charges) income	41,281	10,813	98,652	
	=====	=====	=====	
11) Weighted average earnings per share				
	31/03/2011	31/03/2010	31/12/2010	
	RO	RO	RO	
Net profit for the year after deducting Directors' remuneration	1,873,127	1,581,957	6,862,084	
	=====	=====	=====	
Weighted average number of shares outstanding during the period	64,500,000	64,500,000	64,500,000	
	=====	=====	=====	
Weighted average earnings per share	0.029	0.025	0.106	
	=====	=====	=====	
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 only in Oman.			
16) Contingencies			
At 31 December 2010 the Company had contingent liabilities in respect of guarantees and other matters arising in the ordinary course of business, from which it is anticipated that no material liabilities will arise, amounting to RO 786,493 (2009 : RO 894,045).			
During the year 2009, a supplier has charged the Company an amount of RO 332,419 for the difference in prices pertaining to the period from August 2007 to May 2009 which is not recognised by the Company as management considers that the claim is not tenable based on a legal opinion.			
17) Investment in joint venture			
Investment in joint venture represents the company's participation in 50% of the equity interest of Omanoil Matrix Marine Services LLC ("the Joint Venture"), a company incorporated in Oman on 28 April 2010. The other shareholder of the Joint Venture is Matrix Marine Holding GmbH, a company incorporated in Germany. The objective of the Joint Venture is to sell oil and there by products and supply fuel at the Port of Sohar.			
Sumerised Financial Information of the Joint Venture at the end of the reporting period is as follows:			
		OMR	
		MAR	DEC
		2011	2010
Total assets		287,924	193,525
Total liabilities		(144,746)	(48,392)
Net assets		143,178	145,133
Company's share in Net assets of the Joint Venture		71,589	72,566
Profit / (Loss) of Joint venture for the period		(1,956)	(4,867)
Company's share in loss of the Joint Venture		(978)	(2,434)