

OMAN OIL MARKETING COMPANY SAOG

1) Notes to the unaudited financial statements

(Forming part of the financial statements)



Property, plant and equipment

	Buildings RO	Plant, equipment and vehicles RO	Assets under construction RO	Total RO
Balance at 1 January 2007, net of accumulated depreciation	2,622,230	7,565,466	459,743	10,647,439
Additions	-	11,168	2,833,813	2,844,981
Transfers	458,154	1,448,121	(1,906,275)	0
Disposals	0	(992)	-	(992)
Depreciation for the year	(144,624)	(1,130,980)	-	(1,275,604)
Balance at 30 September 2007, net of accumulated depreciation	2,935,760	7,892,783	1,387,281	12,215,824
Property, plant and equipment:				
Cost	3,724,283	14,460,686	1,387,281	19,572,250
Accumulated depreciation	(788,524)	(6,567,902)	-	(7,356,426)
Net carrying amount	2,935,759	7,892,784	1,387,281	12,215,824

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2) Inventories

	30/09/2007 RO	30/09/2006 RO	31/12/2006 RO
Oil and lubricants	3,091,833	2,109,472	3,581,279
Stores	10,072	8,456	8,456
	<u>3,101,905</u>	<u>2,117,928</u>	<u>3,589,735</u>

3) Accounts receivable and prepayments

	30/09/2007 RO	30/09/2006 RO	31/12/2006 RO
Trade receivables	15,579,440	14,286,509	15,775,253
Less : impairment provision	(1,363,450)	(1,145,348)	(1,028,329)
	<u>14,215,991</u>	<u>13,141,161</u>	<u>14,746,924</u>
Amounts due from related parties	7,034	13,225	370,615
Other receivables	317,737	330,127	378,130
Prepaid expenses	800,908	723,093	965,478
	<u>15,341,668</u>	<u>14,207,606</u>	<u>16,461,147</u>

Accounts receivable and prepayments

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

	30/09/2007 RO	30/09/2006 RO	31/12/2006 RO
Balance at 1 January	1,028,329	575,183	575,183
Provided during the year	335,175	576,135	458,490
Written off during the year - net	(54)	(5,970)	(5,344)
	<u>1,363,450</u>	<u>1,145,348</u>	<u>1,028,329</u>

4) Number of Shares

	30/09/2007 Number of shares	30/09/2006 Number of shares	31/12/2006 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>
	30/09/2007 Number of shares	30/09/2006 Number of shares	31/12/2006 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

	30/09/2007 RO	30/09/2006 RO	31/12/2006 RO
Movements in the liability recognised in the balance sheet are as follows:			
Accrual as at 1 January	335,326	310,642	310,642
Accrued during the year	39,915	33,861	41,586
End of service benefits paid / adjustment	(46,463)	(16,902)	(16,902)
Accrual as at 30 Sept	<u>328,778</u>	<u>327,601</u>	<u>335,326</u>

6) Accounts payable and accruals

	30/09/2007 RO	30/09/2006 RO	31/12/2006 RO
Trade accounts payable	12,473,778	9,748,773	12,907,631
Accrued expenses	1,184,012	1,151,434	908,591
Directors' remuneration	49,682	50,625	72,500
Other payables	176,680	(143,622)	
	<u>13,884,151</u>	<u>10,807,210</u>	<u>13,888,722</u>

7) Income tax

	30/09/2007 RO	30/09/2006 RO	31/12/2006 RO
<i>Current liability:</i>			
Current year	532,870	305,700	583,000
Prior years	89,815	70,038	70,038
	<u>622,685</u>	<u>375,738</u>	<u>653,038</u>
<i>Income statement:</i>			
Current year	532,870	305,700	583,000
Reversal of excess tax provision relating to earlier years	0	0	
Deferred tax asset relating to the origination and reversal of temporary differences	0	(41,724)	(39,085)
	<u>532,870</u>	<u>263,976</u>	<u>543,915</u>
<i>Deferred tax asset:</i>			
At 1 January	62,981	23,896	23,896
Movement for the period	0	41,724	39,085
At 30 Sept	<u>62,981</u>	<u>65,620</u>	<u>62,981</u>

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8) Environmental provision

	30/09/2007	30/09/2006	31/12/2006
	RO	RO	RO
Balance as at 1 January	295,592	322,606	322,606
Provided during the period	270,010	2,558	2,558
Utilised	(50,640)	(11,948)	(29,572)
	<u>514,962</u>	<u>313,216</u>	<u>295,592</u>

9) Employee costs

	30/09/2007	30/09/2006	31/12/2006
	RO	RO	RO
Wages and salaries	(668,299)	(625,752)	(830,312)
Other benefits	(696,571)	(591,497)	(866,203)
Contributions to a defined contribution retirement plan	(43,429)	(38,997)	(52,704)
Increase in liability for unfunded defined benefits retirement plan	(39,915)	(33,861)	(41,586)
	<u>(1,448,213)</u>	<u>(1,290,107)</u>	<u>(1,790,805)</u>

10) Net finance (charges) income

	30/09/2007	30/09/2006	31/12/2006
	RO	RO	RO
Interest expense	(105,879)	(129,523)	(171,174)
Interest income	720	6,905	7,068
	<u>(105,158)</u>	<u>(122,617)</u>	<u>(164,106)</u>

11) Weighted average earnings per share

	30/09/2007	30/09/2006	31/12/2006
	RO	RO	RO
Net profit for the year after deducting Directors' remuneration	3,521,590	2,778,813	4,016,030
	<u>64,500,000</u>	<u>64,500,000</u>	<u>64,500,000</u>
Weighted average number of shares outstanding during the period			
	<u>0.055</u>	<u>0.043</u>	<u>0.062</u>

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.