

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	-	4,467	1,518,365	1,522,832
Transfers	1,641,263	2,424,124	(4,065,387)	0
Disposals	0	(62,890)	-	(62,890)
Depreciation for the period	(168,812)	(1,045,616)	-	(1,214,428)
Balance at 30 June 2009, net of accumulated depreciation	5,589,630	11,461,164	805,417	17,856,211
Property, plant and equipment:				
Cost	6,823,313	20,692,277	805,417	28,321,007
Accumulated depreciation	(1,233,683)	(9,231,113)	-	(10,464,796)
Net carrying amount	5,589,630	11,461,164	805,417	17,856,211

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2) Inventories

	30/06/2009 RO	30/06/2008 RO	31/12/2008 RO
Oil and lubricants	4,840,649	1,919,075	4,276,909
Stores	7,497	7,497	7,497
Provision for slow moving stock	(67,000)	0	0
	<u>4,781,146</u>	<u>1,926,572</u>	<u>4,284,406</u>

3) Accounts receivable and prepayments

	30/06/2009 RO	30/06/2008 RO	31/12/2008 RO
Trade receivables	16,408,206	16,766,117	15,586,675
Less : impairment provision	(945,677)	(865,416)	(822,668)
	<u>15,462,529</u>	<u>15,900,701</u>	<u>14,764,007</u>
Amounts due from related parties	551,020	36,032	532,452
Other receivables	96,963	373,997	562,235
Prepaid expenses	1,176,116	1,072,882	947,800
	<u>17,286,628</u>	<u>17,383,612</u>	<u>16,806,494</u>

Accounts receivable and prepayments

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

	30/06/2009 RO	30/06/2008 RO	31/12/2008 RO
Balance at 1 January	822,668	954,848	954,848
Written back/provided during the period	126,439	(58,551)	(20,162)
Written off during the period - net	(3,430)	(30,881)	(112,018)
	<u>945,677</u>	<u>865,416</u>	<u>822,668</u>

4) Number of Shares

	30/06/2009 Number of shares	30/06/2008 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>
	30/06/2009 Number of shares	30/06/2008 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

	30/06/2009 RO	30/06/2008 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	14,473	40,877	51,780
End of service benefits paid / adjustment	(54,811)	(126,615)	(170,747)
Accrual as at 30 June	<u>170,501</u>	<u>244,068</u>	<u>210,839</u>

6) Accounts payable and accruals

	30/06/2009 RO	30/06/2008 RO	31/12/2008 RO
Trade accounts payable	13,543,135	13,857,467	14,341,501
Accrued expenses	2,599,292	1,763,105	2,616,152
Directors' remuneration	37,350	33,750	76,549
Other payables	312,318	(68,372)	
	<u>16,492,094</u>	<u>15,585,950</u>	<u>17,034,202</u>

7) Income tax

	30/06/2009 RO	30/06/2008 RO	31/12/2008 RO
<i>Current liability:</i>			
Current period	297,940	440,000	827,000
Prior years	78,160	36,245	36,245
	<u>376,100</u>	<u>476,245</u>	<u>863,245</u>
<i>Income statement:</i>			
Current period	297,940	440,000	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>297,940</u>	<u>440,000</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 June	<u>(9,438)</u>	<u>46,048</u>	<u>(9,438)</u>

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8) Environmental provision

	30/06/2009	30/06/2008	31/12/2008
	RO	RO	RO
Balance as at 1 January	526,372	590,847	590,847
Provided during the period	1,525	180,000	2,554
Utilised	(47,090)	(33,798)	(67,029)
	<u>480,807</u>	<u>737,049</u>	<u>526,372</u>

9) Employee costs

	30/06/2009	30/06/2008	31/12/2008
	RO	RO	RO
Wages and salaries	(665,913)	(546,159)	(1,168,931)
Other benefits	(750,734)	(629,815)	(1,267,694)
Contributions to a defined contribution retirement plan	(50,199)	(40,204)	(87,088)
Increase in liability for unfunded defined benefits retirement plan	(14,473)	(40,877)	(51,780)
	<u>(1,481,319)</u>	<u>(1,257,055)</u>	<u>(2,575,494)</u>

10) Net finance (charges) income

	30/06/2009	30/06/2008	31/12/2008
	RO	RO	RO
Interest expense	(69,759)	(43,239)	(144,103)
Interest income	11,833	24,885	52,853
	<u>(57,926)</u>	<u>(18,354)</u>	<u>(91,250)</u>

11) Weighted average earnings per share

	30/06/2009	30/06/2008	31/12/2008
	RO	RO	RO
Net profit for the period after deducting Directors' remuneration	2,184,891	3,183,114	6,322,845
	<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>0.034</u>	<u>0.049</u>	<u>0.098</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 in Oman.