



**Oman Flour Mills Company (S.A.O.G.)**  
(Parent Company and Group)  
**Unaudited summary of performance**

**For the three months ended 31 March 2019**



# شركة المطاحن العمانية (ش.م.ع.ع.) Oman Flour Mills Company (S.A.O.G.)

## BOARD OF DIRECTORS' REPORT

On behalf of the Board of Directors, I present the Oman Flour Mills Company SAOG (the Parent Company) along with its subsidiaries (The Group's) un-audited financial statements for the three months ended 31 March 2019.

### *Operations*

The Company's sales revenue in the three months has increased by about 12.7% in the current period as compared to the same period of previous year. The Group's net profit after tax for the three months is RO 2,412 K as compared to RO 3,346K in the previous year. The decrease in profit as compared to the previous year is mainly in the Parent Company (OFM) as cost of materials is higher due to increase in agri-commodities prices still persisting due to shortage of grains in the last harvest season. The new season harvest set to start in July / Aug 2019 is looking very positive and prices have show good improvement which will reflect positively on the profitability of the Parent Company in the last 4 months of 2019. OFM has made a net profit after tax of RO 2,166K as compared to RO 2,884K in the same period in previous year.

### *Subsidiaries and associate*

The performance of our subsidiaries and associate is as follows:

- Our subsidiary, Modern Poultry Farms SAOC (MPF) has made profit after tax of RO 118K as compared to previous year profit of RO 97K. Increase in profit is due to higher sales realization. MPF's production has increased substantially as compared to the same period in the previous year. The company is expected to achieve a considerable growth in 2019.
- Our associate, Sohar Poultry Co SAOC (SPC) incurred a loss of RO 182K (previous year loss of RO 9K). The fall in profit is due to reduction in sales prices in the UAE market as there is excessive availability of live birds in the UAE. Higher mortality of birds has also contributed to the loss. Major steps has been taken to improve sales in the local market and gain better market share. In addition the company has taken drastic measures to reduce mortality rate.
- Atyab Bakery LLC has achieved a turnover of RO 3.4 million, which is about 2.3% higher than the same period in the previous year. The bakery made a profit of RO 325K as compared to previous year profit of RO 351K. The bakery profitability has been maintained in-spite of increase in expenses like electricity, fuel and salaries. The Bakery is investing in new machinery to improve productivity and also introduced new products to improve sales and margins.



C.R. No. 5841

P.O. Box 566, Ruwi, PC 112, Sultanate of Oman  
Tel: (968) 24711155, Fax: (968) 24714711  
Customer Service Enquiries: (968) 24714785

Website : [www.omanflourmills.com](http://www.omanflourmills.com)  
e-mail : [flour@omantel.net.om](mailto:flour@omantel.net.om)

س.ت. رقم : ٥٨٤١

ص.ب ٥٦٦ ، روي ، الرمز البريدي ١١٢ ، سلطنة عمان  
هاتف : ٢٤٧١١١٥٥ (٩٦٨) ، فاكس : ٢٤٧١٤٧١١ (٩٦٨)  
خدمة متطلبات العملاء : ٢٤٧١٤٧٨٥ (٩٦٨)



- Atyab FoodTech LLC (AFT) made a profit after tax of RO 142K as compared to the previous year profit of RO 69K.. AFT is expanding its operation by opening branches outside of Muscat. Which is providing a better reach to customers and positively impacting the company's profitability.
- Atyab Technical Services LLC earned a net sponsorship fee of RO 48K as compared to RO 25K in the previous year.
- Sohar Flour Mills LLC has commenced commercial production in January 2019 and as of March-19 it has achieved a sale revenue of RO 1.04 million. It has incurred a net loss of RO 274K during the quarter.

Oman Oilseeds Crushing Company is on schedule in implementing the project, the project will be a good addition to the Group once the project is operational.

The Members of the Board of Directors would like to extend their most sincere appreciation and gratitude to His Majesty Sultan Qaboos Bin Said and his Government for their support to the Company.

Best Regards,

Salah Hilal Al Maawali  
**Chairman**

# OMAN FLOUR MILLS CO. (SAOG)



## Unaudited group statement of financial position as at 31 March 2019

	Notes	Group		Parent Company	
		2019 RO '000	2018 RO '000	2019 RO '000	2018 RO '000
<b>Non-current assets</b>					
Property, plant and equipment	1	43,040	37,504	12,173	12,371
Investment property		37	37	37	37
Investment in Subsidiaries	5 & 6	-	-	17,884	17,513
Investment in associates		2,393	2,976	-	-
Intangible assets		153	151	-	-
Biological assets	2	1,428	1,358	-	-
Right to use asset	5	170	-	75	-
Investment available for sale, non-current	6 & 8	355	250	355	250
<b>Total non-current assets</b>		<b>47,576</b>	<b>42,276</b>	<b>30,524</b>	<b>30,171</b>
<b>Current assets</b>					
Inventories, net	2	20,288	13,314	17,246	11,506
Receivables and prepayments, net	3 & 10	18,794	18,855	11,816	10,517
Amounts due from a related party and subsidiaries	9	546	500	6,468	5,629
Investments available for sale	6 & 8	1,760	2,025	1,760	2,025
Subsidy receivable from the government		-	4,944	-	4,944
Short term deposits		9,053	12,542	9,053	12,542
Cash on hand and at bank		9,359	8,387	7,734	6,788
<b>Total current assets</b>		<b>59,800</b>	<b>60,567</b>	<b>54,077</b>	<b>53,951</b>
<b>Total assets</b>		<b>107,376</b>	<b>102,843</b>	<b>84,601</b>	<b>84,122</b>
<b>Current liabilities</b>					
Payables and accruals		5,304	3,181	2,853	1,904
Taxation		504	1,741	427	1,553
Dividend payable		7,875	-	7,875	-
Interest bearing loans and current maturities of LT loans	4	2,620	1,584	-	-
<b>Total current liabilities</b>		<b>16,303</b>	<b>6,506</b>	<b>11,155</b>	<b>3,457</b>
<b>Non-current liabilities</b>					
Interest bearing loans	4	14,508	12,964	-	-
Lease Liability		145	-	66	-
End of service benefits		1,009	932	438	450
Deferred tax		860	521	497	509
<b>Total non-current liabilities</b>		<b>16,522</b>	<b>14,417</b>	<b>1,001</b>	<b>959</b>
<b>Minority Interest</b>		<b>1,972</b>	<b>2,070</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>34,797</b>	<b>22,993</b>	<b>12,156</b>	<b>4,416</b>
<b>Net assets</b>		<b>72,579</b>	<b>79,850</b>	<b>72,445</b>	<b>79,706</b>
<b>Shareholders' equity</b>					
Share capital		15,750	15,750	15,750	15,750
Legal reserve		6,263	6,029	5,250	5,250
General reserve		2,500	2,500	2,500	2,500
Fair value reserve (Subsidiaries)		-	-	4,477	4,078
Retained earnings		48,066	55,571	44,468	52,128
<b>Total shareholders' equity</b>		<b>72,579</b>	<b>79,850</b>	<b>72,445</b>	<b>79,706</b>

The complete accounts in either Arabic or English will be sent by mail within 7 days to any shareholder who requests for them.

P. O. B. 500, P. O. 440, B. Muscat, Tel: 01747000, Fax: 01744744, E-mail: info@ofmc.com.om

# OMAN FLOUR MILLS CO. (SAOG)



## Unaudited group statement of comprehensive income For the three months ended 31 March 2019

	Notes	Group		Parent Company	
		2019 RO '000	2018 RO '000	2019 RO '000	2018 RO '000
Revenue		<b>24,897</b>	22,037	<b>19,726</b>	18,001
Cost of sale		<b>(20,052)</b>	(16,080)	<b>(16,940)</b>	(14,004)
<b>Gross profit</b>		<b>4,845</b>	5,957	<b>2,786</b>	3,997
Selling & distribution expenses	12	<b>(975)</b>	(901)	<b>(97)</b>	(69)
Administration & general overheads	12	<b>(1,070)</b>	(1,257)	<b>(373)</b>	(683)
<b>Profit from operations</b>		<b>2,800</b>	3,799	<b>2,316</b>	3,245
Finance cost - net		<b>(151)</b>	(128)	-	-
Net investment, finance and other income	7	<b>271</b>	202	<b>228</b>	148
<b>Net profit before tax</b>		<b>2,920</b>	3,873	<b>2,544</b>	3,393
Tax expense		<b>(432)</b>	(543)	<b>(378)</b>	(509)
<b>Net profit after tax</b>		<b>2,488</b>	3,330	<b>2,166</b>	2,884
Share in net Profit/(loss) of associates		<b>(172)</b>	(4)	-	-
Minority Interest (Profit)/Loss		<b>96</b>	20	-	-
<b>Net profit for the period</b>		<b>2,412</b>	3,346	<b>2,166</b>	2,884
Net profit margin		<b>9.69%</b>	15.19%	<b>10.98%</b>	16.02%

**OMAN FLOUR MILLS CO. (SAOG)**



**Unaudited statement of changes in equity  
For the three months ended 31 March 2019**

	<b>Share Capital</b> RO '000	<b>Legal Reserve</b> RO '000	<b>General Reserve</b> RO '000	<b>Fair Value Reserve</b> RO '000	<b>Retained Earnings</b> RO '000	<b>Minority Interest</b> RO '000	<b>Total</b> RO '000
<b>Group company</b>							
Balance, 1 January 2018	15,750	6,030	2,500	-	52,225	2,091	78,596
Profit for the period	-	-	-	-	3,346	(20)	3,326
Balance, 31 March 2018	15,750	6,030	2,500	-	55,571	2,071	81,922
<b>Balance, 1 January 2019</b>	<b>15,750</b>	<b>6,263</b>	<b>2,500</b>	<b>-</b>	<b>53,529</b>	<b>1,951</b>	<b>79,993</b>
<b>Profit for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,412</b>	<b>(96)</b>	<b>2,316</b>
<b>Capital introduced</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>117</b>	<b>117</b>
<b>Dividends</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7,875)</b>	<b>-</b>	<b>(7,875)</b>
<b>Balance, 31 March 2019</b>	<b>15,750</b>	<b>6,263</b>	<b>2,500</b>	<b>-</b>	<b>48,066</b>	<b>1,972</b>	<b>74,551</b>
<b>Parent company</b>							
Balance, 1 January 2018	15,750	5,250	2,500	3,616	49,244	-	76,360
Profit for the period	-	-	-	-	2,884	-	2,884
Fair value changes during the period	-	-	-	462	-	-	462
Balance, 31 March 2018	15,750	5,250	2,500	4,078	52,128	-	79,706
<b>Balance, 1 January 2019</b>	<b>15,750</b>	<b>5,250</b>	<b>2,500</b>	<b>4,228</b>	<b>50,177</b>	<b>-</b>	<b>77,905</b>
<b>Profit for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,166</b>	<b>-</b>	<b>2,166</b>
<b>Fair value changes during the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>249</b>	<b>-</b>	<b>-</b>	<b>249</b>
<b>Dividends</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7,875)</b>	<b>-</b>	<b>(7,875)</b>
<b>Balance, 31 March 2019</b>	<b>15,750</b>	<b>5,250</b>	<b>2,500</b>	<b>4,477</b>	<b>44,468</b>	<b>-</b>	<b>72,445</b>

# OMAN FLOUR MILLS CO. (SAOG)



## Unaudited group statement of cash flows For the three months ended 31 March 2019

	<b>Group</b>		<b>Parent Company</b>	
	<b>2019</b>	2018	<b>2019</b>	2018
	RO '000	RO '000	RO '000	RO '000
<b>Cash from operations</b>	<b>(6,546)</b>	3,813	<b>(3,943)</b>	4,852
Tax paid	<b>(2,711)</b>	-	<b>(2,561)</b>	-
Interest paid	<b>(112)</b>	(126)	-	-
<b>Net cash from operating activities</b>	<b>(9,369)</b>	3,687	<b>(6,504)</b>	4,852
<b>Net cash from investing activities</b>	<b>5,154</b>	(2,536)	<b>4,599</b>	(1,072)
<b>Net cash from financing activities</b>	<b>2,389</b>	2,926	<b>7</b>	(39)
<b>Net increase in cash and cash equivalents</b>	<b>(1,826)</b>	4,077	<b>(1,898)</b>	3,741
Cash and cash equivalents brought forward	<b>11,185</b>	4,310	<b>9,632</b>	3,047
<b>Cash and cash equivalents carried forward</b>	<b>9,359</b>	8,387	<b>7,734</b>	6,788

# OMAN FLOUR MILLS CO. (SAOG)

Notes attached to and forming part of the unaudited balance sheet and the statement of comprehensive income

For the three months ended 31 March 2019

	Group		Parent Company	
	2019 RO '000	2018 RO '000	2019 RO '000	2018 RO '000
<b>1. Property, plant and equipment</b>				
Cost	93,221	84,964	49,796	48,808
Accumulated depreciation	(50,181)	(47,460)	(37,623)	(36,437)
Net book value	<u>43,040</u>	<u>37,504</u>	<u>12,173</u>	<u>12,371</u>
	-	-	-	-
<b>2. Inventories</b>				
Raw materials	17,614	11,287	16,072	10,719
Finished goods	1,390	756	1,064	528
Biological assets	1,428	1,358	-	-
Spares and consumables	2,563	2,417	1,290	1,274
Less: Provisions	(1,279)	(1,146)	(1,180)	(1,015)
	<u>21,716</u>	<u>14,672</u>	<u>17,246</u>	<u>11,506</u>
	-	-	-	-
Finished goods as no. of days of cost of sales	6	4	6	3
<b>3. Trade receivables</b>				
Trade receivables	17,115	15,282	10,309	9,759
Subsidy receivable from the government	-	-	-	-
Prepayments and other receivables	2,670	4,150	1,892	1,216
Less: Provisions for credit losses and adjustment of time value of money	(991)	(577)	(385)	(458)
	<u>18,794</u>	<u>18,855</u>	<u>11,816</u>	<u>10,517</u>
	-	-	-	-
<b>4. Bank loans and overdrafts</b>				
Bank loans	17,128	14,548	-	-
Overdrafts/Short term loans	-	-	-	-
	<u>17,128</u>	<u>14,548</u>	-	-
Less: Current maturities	(2,620)	(1,584)	-	-
Long term element of bank loans	<u>14,508</u>	<u>12,964</u>	-	-
	-	-	-	-
The loans are secured by registered mortgage over the tangible fixed assets of the company and a bank guarantee.				
The loans bear interest between 2% and 4.5% per annum.				
<b>Maturity of Bank Loans</b>				
Due within one year	2,620	1,584	-	-
Due after more than a year	14,508	12,964	-	-
	<u>17,128</u>	<u>14,548</u>	-	-
<b>5. Investment in Subsidiaries</b>				
Investments in subsidiaries are accounted for using the equity method.				
Modern Poultry Farms Co. (SAOG)			88.48%	88.48%
The Bread House LLC			100.00%	100.00%
Atyab Investments LLC			100.00%	100.00%
<b>6. Investments</b>				
<b>Non - Current (Un-quoted)</b>				
Associates at fair Value	Level -2	2,393	2,976	-
Subsidiaries at fair value	Level -2	-	-	17,884
Investments available for sale	Level -2	355	250	250
		<u>2,748</u>	<u>3,226</u>	<u>18,239</u>
				<u>17,763</u>



# OMAN FLOUR MILLS CO. (SAOG)

Notes attached to and forming part of the unaudited balance sheet and the statement of comprehensive income

For the three months ended 31 March 2019

## Current (Un-quoted)

Investment held to maturity	Level - 2	-	-	-	-
Long term deposit	Level - 2	-	4,944	-	4,944
		-	4,944	-	4,944

## Current (Quoted)

Investment at fair value through PL	Level-1	1,760	2,025	1,760	2,025
<b>Total</b>		<b>4,508</b>	<b>10,195</b>	<b>19,999</b>	<b>24,732</b>

	Group		Parent	
	2019 RO '000	2018 RO '000	2019 RO '000	2018 RO '000
<b>7. Investment &amp; Other Income</b>				
<b>a) Investment Income</b>				
Realised	59	(5)	59	(5)
Unrealised	(49)	(21)	(49)	(21)
Dividends	13	23	13	23
	<u>23</u>	<u>(3)</u>	<u>23</u>	<u>(3)</u>
<b>b) Other Income</b>				
Interest income - Net	157	112	157	112
Miscellaneous income	91	93	48	39
	<u>248</u>	<u>205</u>	<u>205</u>	<u>151</u>

## 8. Details of Significant Investments

N I L

## 9. Significant transactions during the reporting period with Related parties and holders of 10% of the company's shares

Goods sold to the subsidiary (intra group)	1,926	1,390
Goods sold to/purchased from a related party	238	152
Services from a subsidiary	<u>126</u>	<u>126</u>

## Loans, Advances, Receivables due

Subsidiaries	5,923	5,130
Related party(s)	546	500

## 10. Provisions

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

	Advances & Receivables	Value of Investments	Others	Total
<b>a) Group</b>				
<b>Provisions for:</b>				
Beginning balance of Provisions	1,211	2	1,259	2,472
Provided during the period	(220)	49	20	(151)
(Written off) during the period	-	-	-	-
Provisions balance as of 31 March 2019	<u>991</u>	<u>51</u>	<u>1,279</u>	<u>2,321</u>

The book value of assets before and after provisions are as follows:

## Book value of assets:

Value of assets before Provisions	19,785	2,166	2,563	24,514
Provisions Balance as of 31 March 2019	(991)	(51)	(1,279)	(2,321)
Book value of assets as of 31 March 2019	<u>18,794</u>	<u>2,115</u>	<u>1,284</u>	<u>22,193</u>

# OMAN FLOUR MILLS CO. (SAOG)

Notes attached to and forming part of the unaudited balance sheet and the statement of comprehensive income

For the three months ended 31 March 2019

	Advances & Receivables	Value of Investments	Others	Total
<b>b) Parent Company</b>				
<b>Provisions for:</b>				
Beginning balance of Provisions	618	2	1,169	1,789
Provided during the period	(233)	49	10	(174)
Provisions balance as of 31 March 2019	<u>385</u>	<u>51</u>	<u>1,179</u>	<u>1,615</u>

The book value of assets before and after provisions are as follows:

<b>Book value of assets:</b>				
Value of assets before Provisions	12,201	2,166	1,290	15,657
Provisions Balance as of 31 March 2019	(385)	(51)	(1,180)	(1,616)
Book value of assets as of 31 March 2019	<u>11,816</u>	<u>2,115</u>	<u>110</u>	<u>14,041</u>

## 11. Shareholders

Details shareholders of the Company who own 10% or more of the Company's shares whether in their name, or through a nominee account and the number of shares they hold are as under:

	2019		2018	
	Shares	%	Shares	%
Oman Food Investment Holding Co. SAOC	80,418,100	51.06%	80,418,100	51.06%
Civil Pension Fund	19,628,486	12.46%	19,628,486	12.46%

## 12. Expenses:

	Group		Parent	
	2019 RO '000	2018 RO '000	2019 RO '000	2018 RO '000
<b><i>Selling &amp; distribution expenses</i></b>				
Staff Cost	399	390	33	32
Motor Vehicle Expenses	136	130	1	1
Advertisement, publicity & other overheads	372	286	58	29
Depreciation	67	93	4	5
Repairs & Maintenance	1	2	1	2
	<u>975</u>	<u>901</u>	<u>97</u>	<u>69</u>
<b><i>Administration &amp; general overheads</i></b>				
Staff Cost	614	790	202	465
Travelling Expenses	8	5	4	2
Rent, Utilities and insurance	50	48	14	12
Legal and professional fees	29	11	24	5
Depreciation	88	85	22	24
Directors' meeting fees & Rem.	21	28	12	18
Corporate Social Responsibility	13	59	13	59
Repairs & Maintenance	55	81	16	43
Sundry Expenses	159	128	58	50
Communication exp	33	22	8	5
	<u>1,070</u>	<u>1,257</u>	<u>373</u>	<u>683</u>

# OMAN FLOUR MILLS CO. (SAOG)

Notes attached to and forming part of the unaudited balance sheet and the statement of comprehensive income

For the three months ended 31 March 2019

## 13. Segment Information

The Group for management purposes is organised in three major operating segments, flour mill, feed mill and poultry. These segments form the basis on which primary segment information is reported.

All values RO '000

	Flour Mill	Animal Feed Mill	Modern Poultry	Atyab Bakery	Atyab Investments	Group
For the period ended 31 March 2018						
External Revenue	8,331	8,280	1,899	3,288	239	22,037
Inter-segment sales	459	931	-	-	126	1,516
Total revenue	<u>8,790</u>	<u>9,211</u>	<u>1,899</u>	<u>3,288</u>	<u>365</u>	<u>23,553</u>
Segment gross profit	2,336	1,661	489	1,301	170	5,957
Expenses	(400)	(351)	(375)	(1,004)	(156)	(2,286)
Other income	148	-	-	54	-	202
Net profit before tax	<u>2,084</u>	<u>1,310</u>	<u>114</u>	<u>351</u>	<u>14</u>	<u>3,873</u>
Tax expense	(313)	(196)	(17)	-	(17)	(543)
Net profit after tax	1,771	1,114	97	351	(3)	3,330
Share in net Profit/(loss) loss of associate						(4)
Minority Interest (Profit)/Loss						20
Net profit for the period						<u>3,346</u>
For the period ended 31 March 2019						
External Revenue	8,670	9,506	2,282	3,363	1,076	24,897
Inter-segment sales	461	1,089	-	-	126	1,676
Total revenue	<u>9,131</u>	<u>10,595</u>	<u>2,282</u>	<u>3,363</u>	<u>1,202</u>	<u>26,573</u>
Segment gross profit	1,309	1,477	497	1,330	232	4,845
Expenses	(108)	(362)	(362)	(1,035)	(329)	(2,196)
Other income	228	-	3	30	10	271
Net profit before tax	<u>1,429</u>	<u>1,115</u>	<u>138</u>	<u>325</u>	<u>(87)</u>	<u>2,920</u>
Tax expense	(211)	(167)	(20)	-	(34)	(432)
Net profit after tax	1,218	948	118	325	(121)	2,488
Share in net Profit/(loss) loss of associate						(172)
Minority Interest (Profit)/Loss						96
Net profit for the period						<u>2,412</u>

14 Previous year figures have been re-grouped/re-stated wherever necessary to conform with the presentation adopted for the