Muscat National Holding Company SAOG
Unaudited condensed consolidated statement of
Cash flows for the period ended 31March 2011

	31 March 2011 RO	31 March 2010 RO
Operating activities		
Profit before taxation	**612,110**	1,418,725
Adjustments for:		
Depreciation	**21,647**	19,879
Net unrealised loss / (gain) on investments in trading securities	**20,432**	(589,867)
Realised loss on disposal of investment securities	**-**	4,555
Amortisation of issue expenses on Bank Muscat Bonds	**1,404**	1,404
Profit on disposal of property, plant and equipment	**-**	23
Accrual for employees' end of service benefits	**12,543**	6,569
Interest income	**(98,435)**	(97,734)
Dividend income	**(322,167)**	(447,186)
Interest expense	**13,748**	18,871
Rental income	**(18,797)**	(18,847)
Profit before changes in operating assets and liabilities	**242,485**	316,392
Premiums and insurance balances receivable	**(667,893)**	(3,265,726)
Reinsurers' share of outstanding claims	**74,683**	162,145
Gross outstanding claims	**(63,625)**	(136,923)
Reinsurers' share of unearned premium reserve	**(86,186)**	(858,883)
Movement in gross unearned premium reserve	**187,099**	948,757
Other assets	**(136,193)**	(167,400)
Due to reinsurers	**3,039,757**	2,955,801
Other liabilities and accruals	**241,996**	(15,438)
Cash generated from / (used in) operations	**2,832,123**	(61,275)
Taxation paid	**(150,161)**	(122,877)
Interest paid	**(13,748)**	(18,871)
Employees' end of services benefits paid	**(381)**	(664)
Net cash generated from / (used in) operating activities	**2,667,833**	(203,687)
Investing activities		
Purchase of property, plant and equipment	**(1,524)**	(11,949)
Encashment of bank deposits	**1,034,558**	1,365,727
Increase in bank deposits	**(17,901)**	(581,122)
Proceeds from sale / (purchase) of investment	**5,196**	(4,127)
Proceeds from sale of property, plant and equipment	**-**	68
Interest income	**98,435**	97,734
Dividends received	**3,816**	9,814
Rental income	**18,797**	18,847
Net cash generated from investing activities	**1,141,377**	894,992
Financing activities		
Movement in bank borrowings	**(1,007,646)**	(718,167)
Net cash used in financing activities	**(1,007,646)**	(718,167)
Increase/(decrease) in cash and cash equivalents	**2,801,564**	(26,862)
Cash and cash equivalents at the beginning of the period	**1,325,069**	852,835
Cash and cash equivalents at the end of the period	**4,126,633**	825,973

The notes no.1 to 20 form an integral part of these unaudited condensed interim consolidated financial statements.