

OMAN FLOUR MILLS COMPANY SAOG AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED AND PARENT FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2025

1 Revenue from contract with customers

	OFM Group		Oman Flour Mills	
	2025	2024	2025	2024
	RO	RO	RO	RO
Sales of flour products:				
Local	18,140,388	18,542,507	16,927,054	16,931,521
Export	2,737,868	4,628,999	2,735,035	3,991,775
Related party sales	-	89,104	1,423,592	869,068
Sales of feed products:				
Local	26,496,872	23,680,786	26,496,872	23,332,248
Export	801,928	453,942	801,928	453,942
Related party sales	8,903,968	9,584,634	8,903,968	9,584,634
Sales of bakery products:				
Local	8,449,785	7,325,771	-	-
Export	1,022,480	-	-	-
Revenue from services	1,265,226	1,381,434	-	-
	67,818,515	65,687,177	57,288,449	55,163,188

2 Cost of sales

	OFM Group		Oman Flour Mills	
	2025	2024	2025	2024
	RO	RO	RO	RO
Cost of raw materials consumed	45,495,058	47,418,269	42,464,781	43,032,813
Less: Government subsidy	(517,297)	(1,417,349)	(517,297)	(1,417,349)
	44,977,761	46,000,920	41,947,484	41,615,464
Employee salaries and its associated costs	2,845,701	2,520,496	1,329,714	1,202,790
Depreciation on property, plant and equipment	1,996,242	1,858,182	879,975	805,730
Depreciation on right-of-use assets	106,640	86,708	-	8,965
Provision for slow and non-moving inventories	24,456	55,684	18,593	58,793
Other overheads	3,035,202	2,091,551	2,409,038	1,932,192
	52,986,002	52,613,541	46,584,804	45,623,934

3 Selling and distribution expenses

	OFM Group		Oman Flour Mills	
	2025	2024	2025	2024
	RO	RO	RO	RO
Employee salaries and associated costs	1,825,819	1,507,911	242,637	236,354
Advertising, sales promotion and other overheads	901,231	962,470	367,373	272,017
Vehicle expenses	509,735	464,894	507	-
Depreciation	52,173	91,363	431	573
	3,288,958	3,026,638	610,948	508,944

4 General and administration expenses

	OFM Group		Oman Flour Mills	
	2025 RO	2024 RO	2025 RO	2024 RO
Employee salaries and its associated costs	2,040,725	1,934,977	1,209,718	1,396,509
Professional fees	219,407	200,877	161,361	66,508
Rent, utilities and insurance	240,090	96,584	5,031	7,989
Depreciation	221,546	178,027	92,596	78,622
Corporate social responsibility	133,236	97,424	133,236	97,424
Directors' remuneration	(59,250)	95,500	(59,250)	95,500
Repairs and maintenance	174,072	15,708	142,838	15,378
Travelling expenses	74,994	22,005	50,720	22,005
Communication expenses	67,878	35,276	16,936	35,276
Amortisation of intangible assets	5,303	-	-	-
Miscellaneous	1,126,645	1,024,839	599,391	534,563
	<u>4,244,646</u>	<u>3,701,217</u>	<u>2,352,577</u>	<u>2,349,774</u>
	-	-	-	-

5 Employee salaries and its related costs

(a) Employee salaries and its related costs are included in the statement of income and are analyzed as follows:

	OFM Group		Oman Flour Mills	
	2025 RO	2024 RO	2025 RO	2024 RO
Cost of sales	2,845,701	2,520,496	1,329,714	1,202,790
Selling and distribution expenses	1,825,819	1,507,911	242,637	236,354
General and administration expenses	2,040,725	1,934,977	1,209,718	1,396,509
	<u>6,712,245</u>	<u>5,963,384</u>	<u>2,782,069</u>	<u>2,835,653</u>

(b) Employee salaries and its related costs included under cost of sales, selling and distribution, general and administration expenses comprise:

	OFM Group		Oman Flour Mills	
	2025 RO	2024 RO	2025 RO	2024 RO
Salaries, wages and other benefits	6,011,516	5,373,358	2,377,175	2,414,223
Contributions to defined retirement plan for Omani employees	605,440	526,993	401,429	420,363
Provision for employee's end of service benefits obligations	95,289	63,033	3,465	1,067
	<u>6,712,245</u>	<u>5,963,384</u>	<u>2,782,069</u>	<u>2,835,653</u>
	-	-	-	-

The movements in expatriate employees' end of service benefits liability recognised in the statement of financial position are as follows:

	OFM Group		Oman Flour Mills	
	2025 RO	2024 RO	2025 RO	2024 RO
At 1 January	940,958	794,709	147,253	93,403
Charge for the year	121,210	106,228	29,386	44,262
Payments made during the year	(64,123)	(10,921)	(2,746)	-
At 30 June	998,045	890,016	173,893	137,665

6 Other income

	OFM Group		Oman Flour Mills	
	2025 RO	2024 RO	2025 RO	2024 RO
Rental income	(17,560)	15,000	(17,560)	15,000
Commission income	-	-	-	-
Dividend income	-	5,754	-	5,754
Miscellaneous	154,737	199,939	37,472	62,069
	137,177	220,693	19,912	82,823
	-	-	-	-

7 Other gains/(losses)

	OFM Group		Oman Flour Mills	
	2025 RO	2024 RO	2025 RO	2024 RO
Fair value changes in investment properties	-	-	-	-
Gain on disposal of investments at fair value through profit or loss	-	-	-	-
Fair value changes in investments at fair value through profit or loss	(350,000)	217,339	(350,000)	217,339
Gain on disposal of property, plant and equipment	(29,280)	-	(29,280)	-
	(379,280)	217,339	(379,280)	217,339
	-	-	-	-

8 Finance income and costs

	OFM Group		Oman Flour Mills	
	2025 RO	2024 RO	2025 RO	2024 RO
Finance income				
Interest on amounts due from a related party	179,514	117,407	454,397	302,500
Interest income on deposits	394,795	136,014	394,795	136,014
	574,309	253,421	849,192	438,514
	-	-	-	-

Finance costs				
Interest on leases	143,233	94,799	32,821	(9,278)
Portfolio management fees	-	14,801	-	14,801
Interest on amounts due to RP	274,648	184,975	-	-
Interest on bank borrowings	1,858,141	2,082,872	1,248,974	1,287,993
	<u>2,276,022</u>	<u>2,377,447</u>	<u>1,281,795</u>	<u>1,293,516</u>
Net finance costs	<u>(1,701,713)</u>	<u>(2,124,026)</u>	<u>(432,603)</u>	<u>(855,002)</u>
	-	-	-	-

9 Income tax

	OFM Group		Oman Flour Mills	
	2025 RO	2024 RO	2025 RO	2024 RO
Statement of comprehensive income				
- Current tax in respect of current year	1,005,133	877,204	991,196	871,728
- Deferred tax (release)/ charge in respect of current year	-	-	-	-
	<u>1,005,133</u>	<u>877,204</u>	<u>991,196</u>	<u>871,728</u>
Statement of financial position	-	-	-	-
The movement in the current taxation liability as follows:				
Beginning of the year	1,644,163	774,949	1,605,628	675,872
Charge for the year	1,005,133	877,204	991,196	871,728
Payment during the year	(1,636,848)	(761,515)	(1,598,313)	(668,556)
At the end of the year	<u>1,012,448</u>	<u>890,638</u>	<u>998,511</u>	<u>879,044</u>
	-	-	-	-

10 Property, plant and equipment

The depreciation on property, plant and equipment for the year has been allocated as follows:

	OFM Group		Oman Flour Mills	
	2025 RO	2024 RO	2025 RO	2024 RO
Cost of sales	1,969,446	1,858,182	879,975	805,730
Selling and distribution	52,173	91,363	431	573
General and administration expenses	221,546	178,027	92,596	78,622
	<u>2,243,165</u>	<u>2,127,572</u>	<u>973,002</u>	<u>884,925</u>

11 Inventories

	OFM Group		Oman Flour Mills	
	2025 RO	2024 RO	2025 RO	2024 RO
Raw materials	18,198,561	20,368,574	17,667,784	18,792,520
Finished goods	2,030,489	1,980,964	1,215,404	1,514,976
Packing materials and spares	2,159,221	1,899,500	1,170,669	1,021,797
Work in progress	-	-	-	-
	22,388,271	24,249,038	20,053,857	21,329,293
Provision for slow and non-moving inventories [note a) below]	(1,133,628)	(1,259,556)	(875,310)	(1,056,477)
	21,254,643	22,989,482	19,178,547	20,272,816

The movement in the provision for slow and non-moving inventories is as below:

	OFM Group		Oman Flour Mills	
	2025 RO	2024 RO	2025 RO	2024 RO
At 1 January	1,308,932	1,191,373	1,056,477	997,684
Reversed during the year	(181,167)	9,390	(181,167)	-
Written-off during the year	5,863	58,793	-	58,793
At 30 June	1,133,628	1,259,556	875,310	1,056,477

12 Trade and other receivables

	OFM Group		Oman Flour Mills	
	2025 RO	2024 RO	2025 RO	2024 RO
Trade receivables	22,176,083	24,906,343	15,188,438	18,339,473
Less: allowance for expected credit losses (ECL) [see note (b) below]	(3,395,918)	(2,897,051)	(1,498,101)	(1,217,995)
	18,780,165	22,009,292	13,690,337	17,121,478
Advances to suppliers	11,093,988	13,647,826	10,896,939	13,647,826
Subsidy receivable [note (d) below]	4,052,598	4,809,956	3,685,404	4,809,956
Advances, other receivables and prepayments	2,593,388	3,928,661	1,776,542	2,410,386
	36,520,139	44,395,735	30,049,222	37,989,646

The movement in allowance for expected credit losses against trade receivables is as below:

	OFM Group		Oman Flour Mills	
	2025 RO	2024 RO	2025 RO	2024 RO
At 1 January	3,005,205	2,675,182	1,157,926	1,112,105
Provision/(reversal) for impairment during the year	390,713	221,869	340,175	105,890
At 30 June	<u>3,395,918</u>	<u>2,897,051</u>	<u>1,498,101</u>	<u>1,217,995</u>

13 Cash and cash equivalents

	OFM Group		Oman Flour Mills	
	2025 RO	2024 RO	2025 RO	2024 RO
Cash in hand	91,462	197,554	-	-
Cash at bank	9,391,056	2,782,819	7,574,320	2,430,631
Call deposits	-	-	-	-
	<u>9,482,518</u>	<u>2,980,373</u>	<u>7,574,320</u>	<u>2,430,631</u>

14 Short term deposits

	OFM Group		Oman Flour Mills	
	2025 RO	2024 RO	2025 RO	2024 RO
Short term deposits	19,500,000	7,500,000	19,500,000	7,500,000

15 Bank borrowings

	OFM Group		Oman Flour Mills	
	2025 RO	2024 RO	2025 RO	2024 RO
Non-current				
Term loan 1	22,475,184	22,868,494	-	-
Term loan 2	-	-	-	-
Term loan 3	-	-	-	-
	<u>22,475,184</u>	<u>22,868,494</u>	<u>-</u>	<u>-</u>
Less: unamortised transaction cost	-	-	-	-
	<u>22,475,184</u>	<u>22,868,494</u>	<u>-</u>	<u>-</u>
Less: current portion	(2,713,963)	(2,088,470)	-	-
Total non-current portion	<u>19,761,221</u>	<u>20,780,024</u>	<u>-</u>	<u>-</u>
Current				
Current portion of term loans	2,713,963	2,092,665	-	-
Loans against trust receipts	58,966,927	41,631,956	58,614,323	38,663,433
Short term loan	2,246,463	-	-	-
Bank overdraft	418,377	696,717	-	-
	<u>64,345,730</u>	<u>44,421,338</u>	<u>58,614,323</u>	<u>38,663,433</u>

16 Trade and other payables

	OFM Group		Oman Flour Mills	
	2025 RO	2024 RO	2025 RO	2024 RO
Trade payables	5,408,355	12,052,792	3,246,442	8,844,831
Accrued expenses and other payables	5,467,038	5,712,966	3,647,409	4,990,239
Amounts due to related parties	342,944	196,191	610,622	1,652,358
Directors' remuneration	299,032	324,032	75,000	100,000
	11,517,369	18,285,981	7,579,473	15,587,428

17 Related parties

Amounts due from subsidiaries and related parties at the end of the reporting period are as follows:

	OFM Group		Oman Flour Mills	
	2025 RO	2024 RO	2025 RO	2024 RO
Subsidiaries:				
- Sohar Flour Mills Company LLC	-	-	10,821,489	8,958,621
- Atyab Investments LLC	-	-	3,812,757	3,269,678
- Bio Products LLC	-	-	5,758,774	-
- Atyab Food Industries LLC	-	-	1,430,285	1,178,506
	-	-	21,823,305	13,406,805
Affiliated companies:				
- Modern Poultry Farms Company SAOC	1,620,782	2,549,213	1,620,782	2,549,213
- Mazoon Dairy Company SAOC	638,045	4,398,521	487,417	4,247,893
- Modern Dairy Factory LLC	797,700	506,455	797,700	506,455
- Gulf International Poultry Farms	3,658,249	3,970,555	3,658,249	3,970,555
- Sohar Poultry Company SAOC	1,188,690	839,933	1,188,557	839,800
- Oman Oil Seeds Company SAOC	21,371	-	-	-
- Atyab IFFCO Poultry LLC	11,466	6,466	1,466	1,466
- Arabian Food Production Company	798	798	-	-
- Al Bashayer Meat Company SAOC	86,663	83,072	86,663	83,072
- A'Naama Poultry SAOC	113,095	108,221	113,095	108,221
- Bioproducts	-	517,420	-	517,420
- Bread House LLC	8,672	8,672	8,672	8,672
- Omani National Livestock Development Company SAOC	3,121	-	3,121	-
	8,148,652	12,989,326	7,965,722	12,832,767
	-	-	-	-

Amounts due to related parties at the end of the reporting period are as follows:

	OFM Group		Oman Flour Mills	
	2025 RO	2024 RO	2025 RO	2024 RO
Subsidiaries:				
- Sohar Flour Mills LLC	-	-	(439,591)	(1,492,940)
- Atyab Technical LLC	-	-	-	-
- Atyab Food Industries LLC	-	-	(21,969)	(800)
- Atyab International Services LLC	-	-	(142,312)	(132,182)
	-	-	(603,872)	(1,625,922)
Affiliated companies:				
- Sohar Vegetables Oils LLC	(336,194)	(169,622)	-	-
- Oman Food Investment Holding Company SAOC	-	-	-	-
Modern Dairy Factory	(3,851)	(68)	(3,851)	(68)
- Sohar Poultry Company SAOC	-	(133)	-	-
Gulf Plastic Company	-	-	-	-
	(2,899)	(26,368)	(2,899)	(26,368)
	(342,944)	(196,191)	(6,750)	(26,436)