

OMAN FLOUR MILLS COMPANY SAOG AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED AND PARENT FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 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	26,235,998	20,942,821	25,604,308	21,843,320
Export	6,332,243	6,315,449	5,550,023	4,975,571
Related party sales	1,310,025	2,726,915	1,310,025	2,726,915
Sales of feed products:				
Local	34,205,200	36,979,731	33,756,612	36,626,740
Export	765,282	656,770	765,282	656,770
Related party sales	14,307,656	10,226,066	14,218,552	10,104,989
Sales of bakery products:				
Local	9,804,931	10,996,329	-	-
Export	662,836	882,348	-	-
Revenue from services	2,513,289	2,906,092	-	-
	96,137,460	92,632,521	81,204,802	76,934,305

2 Cost of sales

	OFM Group		Oman Flour Mills	
	2025	2024	2025	2024
	RO	RO	RO	RO
Cost of raw materials consumed	69,316,499	74,922,236	63,479,065	68,960,914
Less: Government subsidy	(1,685,365)	(4,460,509)	(1,685,365)	(4,460,509)
	67,631,134	70,461,727	61,793,700	64,500,405
Employee salaries and its associated costs	3,809,993	3,566,136	1,809,050	1,650,858
Depreciation on property, plant and equipment	2,706,018	2,434,343	1,189,751	888,787
Depreciation on right-of-use assets	167,155	132,500	8,965	-
Provision for slow and non-moving inventories	84,523	(182,775)	50,074	(188,775)
Other overheads	3,390,444	3,171,871	2,711,761	2,482,763
	77,789,267	79,583,802	67,563,301	69,334,038

3 Selling and distribution expenses

	OFM Group		Oman Flour Mills	
	2025 RO	2024 RO	2025 RO	2024 RO
Employee salaries and associated costs	2,035,276	1,869,208	324,209	267,782
Advertising, sales promotion and other overheads	1,193,800	1,159,841	341,668	156,045
Vehicle expenses	588,023	634,834	135	2,880
Depreciation	801	1,624	801	1,624
	3,817,900	3,665,507	666,813	428,331

4 General and administration expenses

	OFM Group		Oman Flour Mills	
	2025 RO	2024 RO	2025 RO	2024 RO
Employee salaries and its associated costs	2,879,076	2,423,695	2,053,905	1,557,632
Professional fees	342,240	127,190	126,096	86,000
Repairs and maintenance	94,849	87,255	49,288	56,118
Depreciation	317,422	201,293	136,439	88,544
Rent, utilities and insurance	56,164	150,029	11,805	11,867
Corporate social responsibility	167,595	163,344	167,595	163,344
Directors' remuneration	149,850	132,700	149,850	132,700
Communication expenses	140,015	96,176	52,278	37,817
Directors' meeting attendance fees	1,650	-	-	-
Travelling expenses	91,565	64,388	76,284	53,172
Amortisation of intangible assets	4,877	1,298	-	-
Miscellaneous	1,349,997	1,135,082	894,745	793,485
	5,595,300	4,582,450	3,718,285	2,980,679

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	3,809,993	3,566,136	1,809,050	1,650,858
Selling and distribution expenses	2,035,276	1,869,208	324,209	267,782
General and administration expenses	2,879,076	2,423,695	2,053,905	1,557,632
	8,724,345	7,859,039	4,187,164	3,476,272

5 Employee salaries and its related costs (continued)

(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	8,027,858	7,296,605	3,846,465	3,201,065
Contributions to defined retirement plan for Omani employees	499,351	431,591	286,761	250,002
Provision for employee's end of service benefits obligations	197,136	130,843	53,938	25,205
	<u>8,724,345</u>	<u>7,859,039</u>	<u>4,187,164</u>	<u>3,476,272</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	786,797	631,696	93,403	63,627
Charge for the year	190,830	130,798	53,937	25,205
Transferred from a Subsidiary	-	-	-	-
Payments made during the year	(31,689)	(84,934)	(9,077)	(2,550)
At 31 December	<u>945,938</u>	<u>677,560</u>	<u>138,263</u>	<u>86,282</u>

6 Other income

	OFM Group		Oman Flour Mills	
	2025 RO	2024 RO	2025 RO	2024 RO
Rental income	44,750	50,365	67,500	73,505
Commission income	-	-	-	-
Dividend income	36,978	74,696	36,978	74,696
Miscellaneous	214,713	186,974	94,469	125,190
	<u>296,441</u>	<u>312,035</u>	<u>198,947</u>	<u>273,391</u>

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	258,366	33,806	258,366	33,806
Fair value changes in investments at fair value through profit or loss	-	-	-	-
Gain on disposal of property, plant and equipment	717	10,009	717	10,009
	259,083	43,815	259,083	43,815

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	-	-	258,164	137,823
Interest income on deposits	674,053	363,508	674,053	363,508
	674,053	363,508	932,217	501,331
	-	-	-	-
Finance costs				
Interest on leases	(171,515)	(168,765)	9,278	-
Portfolio management fees	(15,056)	(12,127)	(15,056)	(12,127)
Interest on bank borrowings	(3,455,931)	(3,085,481)	(1,964,161)	(1,650,306)
	(3,642,502)	(3,266,373)	(1,969,939)	(1,662,433)
Net finance costs	(2,968,449)	(2,902,865)	(1,037,722)	(1,161,102)

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	1,303,321	581,430	1,290,705	503,354
- Deferred tax (release)/ charge in respect of current year	-	-	-	-
	1,303,321	581,430	1,290,705	503,354
Statement of financial position	-	-	-	-
The movement in the current taxation liability as follows:				
Beginning of the year	774,951	765,750	675,872	586,099
Charge for the year	1,303,319	581,430	1,290,705	503,354
Payment during the year	(767,634)	(742,698)	(668,557)	(597,817)
At the end of the year	1,310,636	604,482	1,298,020	491,636

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	2,706,018	2,434,343	1,189,751	888,787
Selling and distribution	801	1,624	801	1,624
General and administration expenses	317,422	201,293	136,439	88,544
	3,024,241	2,637,260	1,326,991	978,955

11 Inventories

	OFM Group		Oman Flour Mills	
	2025 RO	2024 RO	2025 RO	2024 RO
Raw materials	31,019,568	27,542,643	30,036,656	23,905,335
Finished goods	2,093,293	1,577,540	1,556,868	1,039,304
Packing materials and spares	1,961,955	1,401,834	1,062,433	837,390
Work in progress	47,705	28,512	-	-
	35,122,521	30,550,529	32,655,957	25,782,029
Provision for slow and non-moving inventories [note a) below]	(1,244,226)	(1,177,823)	(1,038,088)	(996,512)
	33,878,295	29,372,706	31,617,869	24,785,517

11 Inventories

	OFM Group		Oman Flour Mills	
	2025 RO	2024 RO	2025 RO	2024 RO
At 1 January	1,191,373	1,337,349	997,684	1,185,288
Reversed during the year	52,853	(156,268)	40,404	(188,776)
Written-off during the year	-	(3,258)	-	-
At 31 December	1,244,226	1,177,823	1,038,088	996,512

12 Trade and other receivables

	OFM Group		Oman Flour Mills	
	2025 RO	2024 RO	2025 RO	2024 RO
Trade receivables	24,807,655	22,735,227	18,615,383	16,092,441
Less: allowance for expected credit losses (ECL) [see note (b) below]	(2,882,947)	(2,700,846)	(1,184,120)	(1,272,338)
	21,924,708	20,034,381	17,431,263	14,820,103
Advances to suppliers	20,421,436	17,394,389	20,189,505	17,279,007
Subsidy receivable [note (d) below]	5,686,725	5,901,854	5,686,725	5,901,854
Advances, other receivables and prepayments	3,461,145	3,167,474	2,657,210	2,397,306
	51,494,014	46,498,098	45,964,703	40,398,270

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	2,646,042	2,574,405	1,112,106	1,280,667
Provision/(reversal) for impairment during the year	236,905	126,441	72,014	(8,329)
At 31 December	2,882,947	2,700,846	1,184,120	1,272,338

13 Cash and cash equivalents

	OFM Group		Oman Flour Mills	
	2025 RO	2024 RO	2025 RO	2024 RO
Cash in hand	99,763	118,752	-	-
Cash at bank	6,369,893	7,486,615	5,056,539	4,880,611
Call deposits	-	-	-	-
	6,469,656	7,605,367	5,056,539	4,880,611

14 **Short term deposits**

OFM Group		Oman Flour Mills	
2025 RO	2024 RO	2025 RO	2024 RO
7,500,000	3,000,000	7,500,000	3,000,000

Short term deposits

15 **Bank borrowings**

OFM Group		Oman Flour Mills	
2025 RO	2024 RO	2025 RO	2024 RO
Non-current			
Term loan 1	22,495,867	24,789,586	-
Term loan 2	-	-	-
Term loan 3	-	-	-
	22,495,867	24,789,586	-
Less: unamortised transaction cost	-	-	-
	22,495,867	24,789,586	-
Less: current portion	(2,092,335)	(2,589,400)	-
Total non-current portion	20,403,532	22,200,186	-
Current			
Current portion of term loans	2,092,335	2,589,400	-
Loans against trust receipts	56,167,696	40,519,784	53,904,873
Short term loan	-	-	-
Bank overdraft	416,875	301,368	-
	58,676,906	43,410,552	53,904,873

Non-current

Term loan 1

Term loan 2

Term loan 3

Less: unamortised transaction cost

Less: current portion

Total non-current portion

Current

Current portion of term loans

Loans against trust receipts

Short term loan

Bank overdraft

16 **Trade and other payables**

OFM Group		Oman Flour Mills	
2025 RO	2024 RO	2025 RO	2024 RO
Trade payables	13,170,635	15,138,299	11,668,981
Accrued expenses and other payables	7,925,996	7,167,718	12,651,734
Amounts due to related parties	2,701,629	567,880	6,285,988
Directors' remuneration	137,500	116,050	1,594,139
	23,935,760	22,989,947	137,500
			15,902,663

Trade payables

Accrued expenses and other payables

Amounts due to related parties

Directors' remuneration

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			10,960,177	9,376,663
- Atyab Investments LLC	-	-	3,825,740	3,046,825
- Omaus Ply Limited	-	-	7,700	1,269
- Bio Products LLC	-	-	6,035,260	
- Atyab International Services	-	-		46,778
- Atyab Food Industries LLC	-	-	1,164,752	1,396,325
	-	-		
	-	-	21,993,629	13,867,860
Affiliated companies:				
- Modern Poultry Farms Company SAOC	1,439,041	2,266,901	1,439,041	2,266,901
- Mazoon Dairy Company SAOC	5,403,772	5,563,006	5,253,144	4,924,967
- Modern Dairy Factory LLC	810,028	-	810,028	-
- Gulf International Poultry Farms	3,664,637	4,612,131	3,664,637	4,612,131
- Sohar Poultry Company SAOC	5,432,626	813,168	5,432,759	813,168
- Oman Oil Seeds Company SAOC	41,468	18,650	-	-
- Atyab IFFCO Poultry LLC	1,466	6,466	1,466	1,466
- Arabian Food Production Company	798	798	-	-
- Al Bashayer Meat Company SAOC	86,663	86,663	86,663	86,663
- A'Naama Poultry SAOC	113,095	113,095	113,095	113,095
- Bioproducts	-	60,038	-	60,038
- Bread House LLC	8,672	8,672	8,672	8,672
- Oman Sugar	7,920	-	-	-
- Omani National Livestock Development Company SAOC	-	7,331	-	7,331
	17,010,186	13,556,919	16,809,505	12,894,432

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	-	-	(367,609)	(1,594,139)
- Atyab Food Industries LLC	-	-	(21,969)	-
- Atyab International Services LLC	-	-	(105,414)	-
	-	-	(494,992)	(1,594,139)
Affiliated companies:				
- Sohar Vegetables Oils LLC	(336,194)	(487,411)	-	-
Modern Dairy Factory	(3,851)	-	(3,851)	-
- Sohar Poultry Company SAOC	-	(133)	-	-
-Gulf Plastic	-	-	-	-
	-	-	-	-
	(340,045)	(487,544)	(3,851)	-