

**Unaudited Financial Statements for the year ended 30<sup>th</sup> November 2018**

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## Unaudited Financial Statements for the year ended 30<sup>th</sup> November 2018

### ***DIRECTORS' REPORT***

### ***FOR THE FINANCIAL YEAR ENDED ON NOVEMBER 30, 2018.***

On behalf of the Board of Directors, I am pleased to submit the un-audited Financial Statements of the company for the financial year ended on November 30, 2018 along with related reports.

We would like to state that the revenue for the above period was RO 12,399,746 as against RO 12,323,453 in the corresponding period of last year. The net Profit after tax was RO 2,456,769 against RO 2,477,013 recorded last year.

The total shareholders fund increased from RO 20,096,721 at the end of November 2017 to RO 21,678,492 at the end of current financial year. As a result of this growth, the net asset per share has increased from 3.445 to 3.539.

On behalf of the Board of directors, I express our most sincere gratitude to His Majesty Sultan Qaboos Bin Said for his wise leadership and generous support to the private sector. Also I would extend our gratitude to the Muscat Securities Market, Capital Market Authority, and other government organizations involved in private sector business development.

I conclude this report by expressing our appreciation to our shareholders, Petroleum Development Oman, our bankers and customers for their valued support and cooperation.

For and on behalf of Board of Directors,

TALAL BIN QAIS AL ZAWAWI  
CHAIRMAN

Date: 19 December, 2018

## Unaudited Financial Statements for the year ended 30<sup>th</sup> November 2018

### UNAUDITED SUMMARY OF PERFORMANCE.

	30 Nov. 2018 R.O' 000	30 Nov. 2017 R.O' 000	Change %
<b>Total assets @</b>	28,626	26,364	9
<b>Total liabilities @</b>	6,948	6,247	11
<b>Net assets @</b>	21,678	20,097	8
* <b>Net assets per share</b>	3.539	3.449	3
** <b>Current ratio @</b>	2.447	2.880	(15)

  

	12 months ended 30 Nov., 2018 R.O' 000	12 months ended 30 Nov., 2017 R.O' 000	Change %
<b>Gross Profit</b>	4,526	4,524	--
*** <b>Gross Profit margin @</b>	37%	37%	(1)
<b>Net Profit</b>	2,456	2,477	(1)
**** <b>Earnings per share</b>	0.401	0.425	(6)

\* Net assets (book value) per share is calculated by dividing the net assets (book value) at 30 Nov. by the number of ordinary shares in issue at 30 Nov..

\*\* Current ratio represents the ratio of current assets to current liabilities at 30 Nov..

\*\*\* Gross profit margin is calculated as follows:

$$\text{Gross Profit margin} = \frac{\text{Gross Profit}}{\text{Turnover}}$$

\*\*\*\* Earnings per share is calculated by dividing net profit after tax for the period ended 30 Nov. by the average number of ordinary shares in issue for the period.

The ratios marked @ above are optional, but companies are encouraged to disclose such information.

## Unaudited Financial Statements for the year ended 30<sup>th</sup> November 2018

### Unaudited consolidated Statement of Financial Position at 30 November, 2018

	Notes	30 Nov. 2018 R.O' 000	30 Nov. 2017 R.O' 000	Change %
<b>Fixed assets *</b>		17,190	18,224	(6)
		17,190	18,224	(6)
<b>Current assets</b>				
Inventories	1	25	22	14
Trade receivables	2&9	4,956	4,786	4
Receivable from related parties	8&9	188	301	(38)
Investments **	5,6,7&9	--	--	--
Bank and cash		6,267	3,031	107
Other assets		--	--	--
		11,436	8,140	40
<b>Total assets</b>		28,626	26,364	9
<b>Current liabilities</b>				
Trade and other creditors		990	754	31
Payable to related parties	8	2,083	568	267
Bank loans and overdrafts	4	1,179	1,179	--
Tax liability		421	325	30
		4,673	2,826	65
<b>Long term liabilities</b>				
Bank loans and overdrafts	4	2,162	3,341	(35)
Deferred Tax liability		113	100	13
Payable to related parties	8	--	--	--
		2,275	3,441	(34)
<b>Total liabilities</b>		6,948	6,267	11
<b>Net Assets</b>		21,678	20,097	8
<b>Shareholders' funds</b>				
Share capital		6,125	5,833	5
Legal reserve		2,041	1,945	5
Retained earnings / (loss)		13,512	12,319	10
<b>Total shareholders' equity</b>		21,678	20,097	8

\* Includes tangible fixed assets only. Intangible fixed assets must be disclosed separately.

\*\* Investments include fixed term deposits.

**Unaudited Financial Statements for the year ended 30<sup>th</sup> November 2018**

**Unaudited consolidated Statement of Comprehensive Income**  
 For 12 months ended 30 November, 2018

	Notes	12 months ended 30 Nov., 2018 R.O'. 000	12 months ended 30 Nov., 2017 R.O'. 000	Change %
<b>Turnover/Revenue</b>	3	<b>12,399</b>	<b>12,323</b>	<b>1</b>
<b>Gross Profit</b>	3	<b>4,526</b>	<b>4,524</b>	<b>--</b>
Depreciation		(1,049)	(1,065)	(2)
Administration & general expenses		(416)	(405)	3
<b>Operating profit</b>		<b>3,061</b>	<b>3,054</b>	<b>--</b>
Other income / (Expenses)		1	-	100
Finance charges	4	(172)	(220)	(22)
Investment income	6	--	--	--
<b>Profit before taxation and minority Interests</b>		<b>2,890</b>	<b>2,834</b>	<b>2</b>
<b>Taxation</b>		<b>(434)</b>	<b>(357)</b>	<b>22</b>
<b>Net profit attributable to ordinary Shareholders</b>		<b>2,456</b>	<b>2,477</b>	<b>(1)</b>
<b>Dividend per share</b>		<b>--</b>	<b>--</b>	<b>--</b>
<b>* Net profit margin @</b>		<b>20%</b>	<b>20%</b>	<b>(1)</b>

Dividend per share has been calculated by dividing the total dividends paid and proposed during the period by the average number of shares in issue for the period.

\* Net profit margin =  $\frac{\text{Net profit for the period}}{\text{Turnover for period}}$

Disclosure of ratios market @ is optional but is recommended.

Taxation The basis for determining the tax charge accruing for the period should be disclosed. The tax charge should be determined by applying an effective tax rate to the net profit before tax for the period.

## Unaudited Financial Statements for the year ended 30<sup>th</sup> November 2018

Unaudited consolidated statement of cash flows  
 For the 12 months ended 30 November, 2018

	12 months ended 30 Nov., 2018 R.O'. 000	12 months ended 30 Nov., 2017 R.O'. 000	Change %
<b>Cash from operations</b>	5,802	4,004	45
Tax paid	(325)	(325)	--
Interest paid	(172)	(220)	(22)
Net cash from operating activities	5,305	3,459	53
Net cash used in investing activities	(15)	(69)	(78)
Net cash used in financing activities	(2,054)	(2,054)	-
Net increase (decrease) in cash and cash equivalents	3,236	1,336	142
Cash and cash equivalents brought forward	3,031	1,695	79
<b>Cash and cash equivalents carried forward</b>	<b>6,267</b>	<b>3,031</b>	<b>107</b>

**Unaudited Financial Statements for the year ended 30<sup>th</sup> November 2018**

**Statement of changes in equity**

	Share Capital RO. '000	Legal Reserve RO. '000	Retained Earnings RO. '000	Total RO. '000
<b>As on 30 November , 2016</b>	<b>5,833</b>	<b>1,944</b>	<b>10,718</b>	<b>18,495</b>
Dividend paid	--	--	(875)	(875)
Profit for current year	--	--	2,477	2,477
Transfer to legal reserve	--	--	--	--
<b>As on 30 November, 2017</b>	<b>5,833</b>	<b>1,944</b>	<b>12,320</b>	<b>20,097</b>
<b>As on 30 November , 2017</b>	<b>5,833</b>	<b>1,944</b>	<b>12,320</b>	<b>20,097</b>
Bonus Share	292	--	(292)	--
Dividend paid	--	--	(875)	(875)
Profit for current year	--	--	2,456	2,456
Transfer to legal reserve	--	97	(97)	--
<b>As on 30 November , 2018</b>	<b>6,125</b>	<b>2,041</b>	<b>13,512</b>	<b>21,678</b>

## Unaudited Financial Statements for the year ended 30<sup>th</sup> November 2018

Notes.

1. **Inventories.**

Inventories can be analysed as follows:

	30 Nov. 2018 R.O' 000	30 Nov. 2017 R.O' 000	Change %
Raw materials	-	-	-
Work in progress	-	-	-
Finished goods	25	22	14
Spares and consumables	-	-	-
Less: Provisions	-	-	-
	25	22	14

Finished goods at 30 Nov., 2018 represent ..... days of sales (2018 .... days)

2 Trade receivables.

At 30 Nov., 2018 trade receivables can be analysed as follows:

	30 Nov. 2018 R.O' 000	30 Nov. 2017 R.O' 000	Change %
Trade receivables	6,456	6,231	4
Less: Provisions	(1,500)	(1,445)	4
	4,956	4,786	4

3. Segment Reporting

Reporting of Segment Revenue, and Segment Result is required for all business and geographical segments, where the segment is responsible for more than 10% of the company's revenue or profit, and where the segment is subject to risks or returns that are different from those of other segments, or where the segment is defined as a reportable segment by International Accounting Standard 14. The Revenue and Result for the company's reportable segments for the period ending 30 Nov., 2018 are as follows:

Identity of Segments

	Fahud R.O' 000	Nimr R.O' 000	Rima R.O' 000	Totals R.O' 000
Segment Revenue	5,459	6,002	938	12,399
Segment Expenses	(3,451)	(3,715)	(707)	(7,873)
Segment Results	2,008	2,287	231	4,526



## Unaudited Financial Statements for the year ended 30<sup>th</sup> November 2018

Notes.

4. **Bank loans and overdrafts.**  
 These can be analysed as follows:

	30 Nov. 2018 R.O' 000	30 Nov. 2017 R.O' 000	Change %
Bank loans	3,341	4,520	(26)
Overdrafts	--	--	--
	3,341	4,520	(26)
Less: Current maturities of bank loans and Bank overdrafts.	(1,179)	(1,179)	--
Long term element and bank loans	2,162	3,341	(35)

The bank loans are secured by Nil lien over investments of the Company with a carrying value of RO. Nil and market value RO. Nil

The Bank loans bear interest at rates 4.25% per annum.

The Bank overdraft facilities bear interest at 5.25% per annum and are renewable on 14th July, 2019

The bank loan is repayable within 7 years from October, 2014

The maturity of the bank loans.

	30 Nov. 2018 R.O' 000	30 Nov. 2017 R.O' 000	Change %
Due within 1 year	1,179	1,179	--
Due after more than 1 year	2,162	3,341	(35)
	3,341	4,520	(26)

## Unaudited Financial Statements for the year ended 30<sup>th</sup> November 2018

Notes.

### 5. Investment in associates and subsidiaries

Associates (See also Note 7)

Investments in Associates are accounted for using the equity method.

The Associates of Services/Manufacturing Company SAOG are as follows:

30 Nov., 2018		30 Nov., 2017	
Company	Holding %	Company	Holding %
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A

During the period, ..... shares in ..... company were purchased for RO..... per share.

During the period ..... shares in ..... company were sold for RO..... per share resulting in a profit of RO. .... on disposal.

Subsidiaries (See also Note 7)

Investments in subsidiaries are accounted for using the equity method.

The subsidiaries of Services/Manufacturing Company SAOG are as follows:

30 Nov., 2018		30 Nov., 2017	
Company	Holding - %	Company	Holding - %
N/A	N/A	N/A	N/A

During the period.... shares in ..... Company were sold for RO. .... per share resulting in a profit of RO. .... on disposal.

During the period ..... shares in ..... company were purchased for RO. .... per share.

## Unaudited Financial Statements for the year ended 30<sup>th</sup> November 2018

Notes.

### 6. Investments.

Investments include all long term and short term investments of the company, excluding only those associates and subsidiaries listed in Note 5. All marketable securities are carried at their open market value. Unquoted investments are carried at cost adjusted for any permanent diminutions in value.

Investment can be analysed as follows:

	Market value 30 Nov. 2018 R.O'. 000	Market value 30 Nov. 2017 R.O'. 000	Book value 30 Nov. 2018 R.O' 000	Book value 30 Nov. 2017 R.O'. 000	Cost ** R.O' 000
Marketable securities MSM					
Banking	N/A	N/A	N/A	N/A	N/A
Investment	N/A	N/A	N/A	N/A	N/A
Insurance	N/A	N/A	N/A	N/A	N/A
Services	N/A	N/A	N/A	N/A	N/A
Industrial	N/A	N/A	N/A	N/A	N/A
Government bonds	N/A	N/A	N/A	N/A	N/A

Marketable securities – Foreign by sector.

Banking	N/A	N/A	N/A	N/A	N/A
Industrial	N/A	N/A	N/A	N/A	N/A
Bonds	N/A	N/A	N/A	N/A	N/A

Unquoted and other investments.

Unquoted Omani shares					
Investment funds units*	N/A	N/A	N/A	N/A	N/A
Term deposits	N/A	N/A	N/A	N/A	N/A
Unquoted foreign shares	N/A	N/A	N/A	N/A	N/A
Other	N/A	N/A	N/A	N/A	N/A

\* Carried at lower of net asset value, net realisable value or market value.

\*\* Cost of investment held on 30 Nov., 2018

## Unaudited Financial Statements for the year ended 30<sup>th</sup> November 2018

Notes.

### 6. Investments (continued)

#### Investment income

##### *Realised*

Realised investment income represents gains and losses on disposal of investments and other realised investment related gains and losses.

##### *Unrealised.*

Marketable securities are recorded at their open market value. Movements in the carrying values of marketable securities are taken to unrealised investment income.

##### *Interest*

Interest receivable for term deposits and bonds is included in investment income.

Investment income can be analysed as follows:

	30 Nov. 2018 R.O' 000	30 Nov. 2017 R.O' 000
Realised	N/A	N/A
Unrealised	N/A	N/A
Dividends	N/A	N/A
Interest on Term Deposits and Bonds	N/A	N/A

## Unaudited Financial Statements for the year ended 30<sup>th</sup> November 2018

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### 7. Details of Significant Investments.

Details of all the reporting company's investments, including associates and subsidiaries, for which either, the reporting company's holding represents 10% or more of the issuer's share capital, or, the reporting company's holding exceeds 10% of the market value of the reporting company's investment portfolio, are provided as follows as of 30 Nov., 2018

Holding %	Number of Securities	Market value RO. 000	Book value RO. 000	Cost RO. 000
MSM quoted securities	N/A	N/A	N/A	N/A
Foreign listed securities*	N/A	N/A	N/A	N/A
Market value as at 30 Nov., 2018				
MSM Unquoted securities	N/A		N/A	N/A
Foreign unquoted securities *	N/A		N/A	N/A
Totals as of 30 Nov. 2018	0		0	0

\* Provide the name of location of the issuer, the class of security, and the name of the market in which the security is listed.

## Unaudited Financial Statements for the year ended 30<sup>th</sup> November 2018

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### 8. Related parties and Holders of 10% of the company's shares.

The nature of significant transactions involving related parties or holders of 10% or more of the company's shares, or their family members, and the amounts involved during the period were as follows:

	30 Nov. 2018 R.O' 000	30 Nov. 2017 R.O' 000	Change %
Cost of sales	7,554	7,593	(1)
Other Services & insurance	526	614	(14)
	8,080	8,207	(2)

### Expense Items.

Items of expense which were paid to related parties or holders of 10% or more of the company's shares, or their family members, during the period can be further analysed as follows:

	30 Nov.2018 R.O' 000	30 Nov.2017 R.O' 000	Change %
Cost of Sales –			
Catering and Supplies Co. LLC. & Marketing and Services Co. LLC	7,554	7,593	(1)
Other services –			
Catering and Supplies Co. LLC. & Risk Management Services LLC	526	614	(14)
	8,080	8,207	(2)

### Loans, Advances, Receivable Due, Provisions & Write-offs.

Loans, advances or receivables due from related parties or holders of 10% or more of the company's shares, or their family members, minus all provisions and write-offs which have been made on those accounts at any time, are further analysed as follows:

	30 Nov. 2018 R.O' 000	30 Nov.2017 R.O' 000	Change %
Cost of utilities	-	-	
Provisions	-	-	
Write-offs	-	-	
Receivable from related parties	-	-	

## Unaudited Financial Statements for the year ended 30<sup>th</sup> November 2018

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9. Provisions.

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

Provisions for:	Advances & Receivables	Value of Investments	Other	Total
Beginning balance of provisions	1,445	-	-	1,445
Provided during the period	55	-	-	55
(Released) during the period	-	-	-	-
(Written off) during the period	-	-	-	-
Provisions Balance as of 30 Nov., 2018	1,500	-	-	1,500

The book value of assets before and after provisions can be shown as follows:

Book value of Assets:	Advances & Receivables	Investments	Other	Total
Value of Assets before provisions	6,456	-	-	6,456
Provisions Balance as of 30 Nov., 2018	(1,500)	-	-	(1,500)
Book value of Assets as of 30 Nov., 2018	4,956	-	-	4,956

## Unaudited Financial Statements for the year ended 30<sup>th</sup> November 2018

Notes.

### 10. Shareholders.

All those 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 follows:

	30 Nov., 2018 (Nos.)	30 Nov., 2017 (Nos.)
<b>Common Share Holders</b>		
Alawi Enterprises	1,225,000	1,166,667
Catering and Supplies Co. LLC	1,225,000	1,166,667
Chatron Commercial Corporation	1,031,805	982,672
Azan Qais Abdulmunim Al Zawawi	626,190	596,372
<b>Preferred Share Holders:</b>	-	-