



الشركة العمانية الغذائية الدولية (ش.م.ع.ع)  
**Oman Foods International SAOG**



## **Report of Board of Directors** **Chairman's Address**

On behalf of the Board of Directors and myself, I welcome you to the Sixteenth Annual General Meeting of your Company to present the Directors' Report and the audited accounts of Oman Foods International SAOG for the year 2011.

### **Operational Results:**

- The Company's Sales performance during the year 2011, aggregated to RO 7,229,118 as against RO 6,963,138 in 2010. The net loss amounted to RO 322,873 as against a loss of Ro 171,396 compared to last year.
- During the year roll over contract with Public Authority for Stores and Food Reserves expired on 21<sup>st</sup> April, 2011. Public Authority for Stores and Food Reserves decided not to renew the distribution agreement after 8<sup>th</sup> February, 2012.
- Five PASFR Sales Depots were closed w.e.f 31<sup>st</sup> December, 2011, and the balance three depots were closed w.e.f on 31<sup>st</sup> January, 2012. However, the Company has already leased ware houses in different locations of the country to sell Company branded products.

### **Highlights:**

- The long term objective of your Board has been to bring back the Company and to protect shareholder value. In order to fulfill this; we placed great emphasis on the function of the Board and its Committees. The Directors closely monitored the way the Company managed its approach to business opportunities both operational and financial which gave a clear picture of the business and the ability to assess changes and developments.
- Your Company has signed exclusive Distributor contract with M/s. DANA Switzerland for sales of DANA brand evaporated milk in the Country.
- Your Company has signed exclusive Distributor contract with M/s. Gautam General Trading LLC, Dubai for sales of Gautam Brand Rice.
- Your Company has signed exclusive Distributor contract with M/s. Agri Gold Foods and Farm Products Limited, India for sale of Agri Gold brand Spices and Pickles.

### **Future Outlook**

The company expects the growth in the food industry would improve and to generate business due to our diversified efforts by adding new product lines. The company is in the process of identifying reputed companies engaged in food sector so as to take over their products for distribution in the Sultanate of Oman.

The Company will be introducing our flag ship brand Thamer in new packing and design with improved quality.

### **Repayment of Softloan**

- The company paid an amount of R.O.150, 000 in May 2011 towards 5<sup>th</sup> installment of Soft loan

### **Personnel**

- The company had employed additional manpower at the branches and utilized the services of staff at Head Office more effectively. During the year the company appointed senior personnel in Finance and Sales to streamline the operations of the company.
- The Company encouraged the Omani employees to occur higher skills in the areas of Warehouse and Sales by providing in-house training for career development opportunities.
- The Company presently has 65 nos of Staff out of which 25 nos are Omanis. The Omanization percentage is 38%.

### **Adherence to Code of Corporate Governance**

- The Company has been complying with all Codes of Corporate Governance as specified by the Capital Market Authority. A detailed report on Corporate Governance is set out with the certificate of the External Auditors.

On behalf of the Board of Directors, I wish to convey our thanks to the Ministry of Commerce, Ministry of Finance, the Capital Market Authority, Muscat Security Market, Central Bank of Oman, Public Authority for Stores and Food Reserves and the shareholding Banks for their support. I also take this opportunity to thank all the stakeholders, suppliers & customers, Directors and staff of the Company for their valuable support and dedication.

We express our gratitude to His Majesty Sultan Qaboos Bin Said and pray to the Almighty God to help Oman and its people to attain further peace and prosperity under His Majesty's wise leadership.

**For & On Behalf of the Board of Directors  
Oman Foods International SAOG**

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**Mardas Bin Abdullah Al-Harthy  
Chairman**

**OMAN FOODS INTERNATIONAL S.A.O.G**

**Statement of financial position as at 31 December 2011**

	Notes	2011 RO	2010 RO
<b>Non current assets</b>			
Property, plant and equipment	9	797,000	891,985
Subordinated bonds	10	760,577	746,996
		<u>1,557,577</u>	<u>1,638,981</u>
<b>Current assets</b>			
Inventories	11	1,185,947	1,081,104
Trade receivables	12	832,684	613,558
Other receivables	13	82,484	91,573
Cash and bank balance	23	653,567	684,026
		<u>2,754,682</u>	<u>2,470,261</u>
<b>Current liabilities</b>			
Trade and other payables	15	2,294,663	1,635,873
Current maturities of lease finance	16	2,448	2,448
Current maturities of term loans	17	200,000	150,000
		<u>2,497,111</u>	<u>1,788,321</u>
<b>Net current assets</b>		<b>257,571</b>	<b>681,940</b>
<b>Non current liabilities</b>			
Lease finance, excluding current maturities	16	3,497	5,945
Term loans, excluding current maturities	17	399,520	555,111

Deferred government grant	17	50,480	94,889
Staff terminal benefits		28,766	22,799
		<u>482,263</u>	<u>678,744</u>
<b>Net assets</b>		<b><u>1,332,885</u></b>	<b><u>1,642,177</u></b>
<b>Representation of funds</b>			
Share capital	18	6,200,721	6,200,721
Legal reserve	19	172,355	172,355
Accumulated losses		(5,114,890)	(4,792,017)
Fair value reserve		74,699	61,118
		<u>1,332,885</u>	<u>1,642,177</u>
<b>Net assets per share</b>	21	<b><u>0.215</u></b>	<b><u>0.265</u></b>

These financial statements were approved and authorised for issue by the Board of Directors on .....2012 and signed on their behalf by:

**Chairman**

**Director**

## OMAN FOODS INTERNATIONAL S.A.O.G

### Income statement for the year ended 31 December 2011

	Notes	2011 RO	2010 RO
Turnover		7,229,119	6,963,138
Cost of turnover	4	<u>(6,891,110)</u>	<u>(6,574,570)</u>
<b>Gross profit</b>		338,009	388,568
Other income	5	<u>73,320</u>	<u>175,852</u>
		<u>411,329</u>	<u>564,420</u>
<b>Expenses</b>			
Administrative and general expenses	6	339,220	283,956
Selling and distribution expenses	7	387,991	394,527
Finance costs	8	4,723	8,354
Provision for inventories		-	14,767
Provision for doubtful debts		<u>2,268</u>	<u>34,214</u>
		<u>734,202</u>	<u>735,818</u>
<b>Net (loss) for the year</b>		(322,873)	(171,398)
Earnings per share (RO)	22	<u>(0.052)</u>	<u>(0.028)</u>