شركة ريسوت للأسمنت (ش.م.ع.ع)

Raysut Cement Company (S.A.O.G)

Annual Report

2015

الشريك الإستراتيجي للنمو

Strategic Partner for Growth

www.raysutcement .com.om

بسم الله الرحمن الرحيم

His Majesty Sultan Qaboos Bin Said

RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

CONSOLIDATED AND PARENT COMPANY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

ص.ب ١٠٢٠، الرمز البريدي ٢١١، صلالة - سلطنة عمان، هاتف: ٠٠٩٦٨٢٣٣٨١٦٠٠ فاكس: ٠٠٩٦٨٢٣٢٩٣٠٥٨
P.Box: 1020, Code 211, Salalah - Sultanat of Oman Tel.: 0096823381600, Fax: 0096823293058
www.raysutcement .com.om


KUWAIT
SAUDI ARABIA
RAS AL KHAIMAH
SOHAR
MUSCAT
SALALAH
INDIA
SUDAN
YEMEN
SOMALIA
SRI LANKA
TANZANIA
MADAGASCAR
MAURITIUS

INVESTOR RELATIONS:

Full disclosure and transparency in RCC's business operations is key to good investor relations. We make sure that necessary financial information is available and easily accessible to all stakeholders. All information is presented as clearly and as detailed as possible.

OUR MISSION AND VISION:

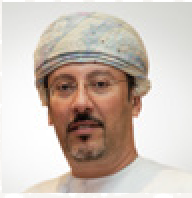
Our mission is to create long-term value and provide market-focused solutions to all our clients and partners through the development and conversion of natural resources into quality products.

CORPORATE GOVERNANCE:

Raysut Cement Company believes in fair business. That's why we make sure that we comply with corporate governance policies & procedures when dealing with all our stakeholders.

ORGANIZATION:

Raysut Cement Company's marketing network is spread across many countries in Asia, Africa and the Middle East. We are managed by the Board of Directors.



Group Chief Executive Officer

Eng. Salem Alawi Mohd. Baboud

Auditors

PricewaterhouseCoopers LLP

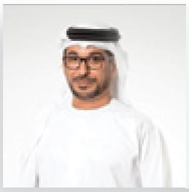
Bankers

Oman Arab Bank (SAOC)
Bank Dhofar (SAOG)
National Bank of Oman (SAOG)
Bank Muscat (SAOG)
National Bank of Abu Dhabi
Bank Sohar (SAOG)

Board of Directors

Ahmed bin Yousuf bin Alawi Al Ibrahim
Chairman

Shihab Yousuf Alawi Al Ibrahim
Vice Chairman



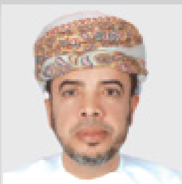
Mohamed Saif Ghanem Al Suwaidi
Board Member

Khalid Mohammed Hassan Habib
Board Member

Fahad bin Abdullah Abdul Aziz Al Rajhi
Board Member

Qais Mustahail Ahmed Al Mashani
Board Member

Hussein Abdullah Ahmed Al Haddad
Board Member



Abdullah Ali Salim Al Salami
Board Member

Gerhard Hugo Hirth
Board Member

Strategic Partner for Growth

RCC adopts the best industry practices
in its commitment to community welfare.

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DIRECTORS' REPORT

For the year ended 31 December 2015

Dear Shareholders,

It gives me pleasure to welcome you all to the 35th Annual General Meeting of the Company.

The audited financial statements including the consolidated financial statements for the year ended 31 December 2015 along with the Auditor's report is presented for your perusal.

Review of operations and financial performance:

PRODUCTION:

Group: The Group as a whole has produced 3.555 Million Tons of Clinker and 3.813 Million Tons of Cement during the year against 3.290 Million Tons of Clinker and 3.762 Million Tons of Cement during the last year respectively. The overall production of Clinker went up by 8.05 % and in Cement by 1.36 % respectively.

Parent Company: The Parent Company in its Salalah plant produced 2.191 Million Tons of Clinker and 2.357 Million Tons of Cement during the year against 2.089 Million Tons of Clinker and 2.374 Million Tons of Cement in the last year. Overall there is an increase of Clinker by 4.88 % and decrease in Cement by 0.72 % as compared to corresponding year.

Subsidiary company: At Pioneer Cement, a subsidiary company, plant in UAE, the productions of Clinker and Cement stood at 1.364 Million Tons and 1.456 Million Tons respectively during the year, against 1.201 Million Tons of Clinker and 1.388 Million Tons Cement respectively in the last year. Clinker productions increased by 13.57 % and Cement production increased by 4.90 % against last year.

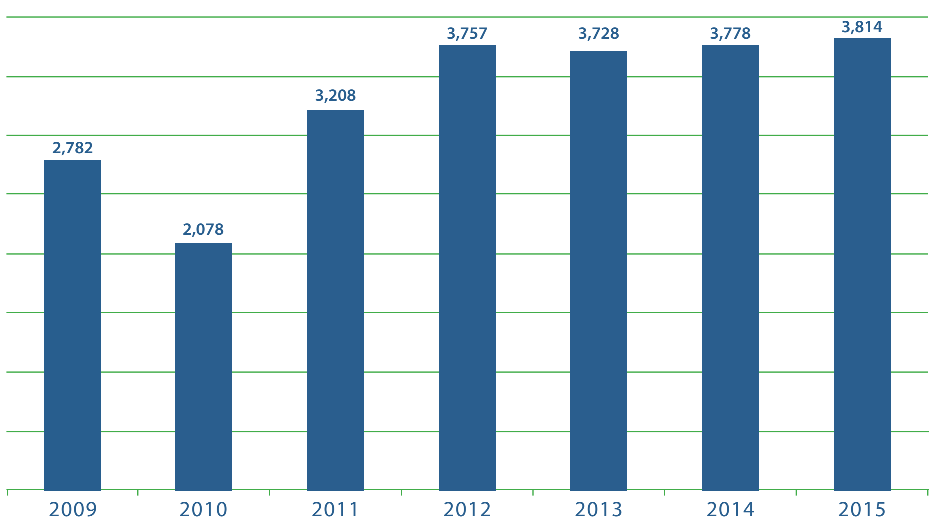
Sales:

Group: The Group as a whole has sold 3.818 Million Tons of Cement during the year against 3.814 Million Tons of Cement in the last year. Overall there is an increase by 0.10 %.

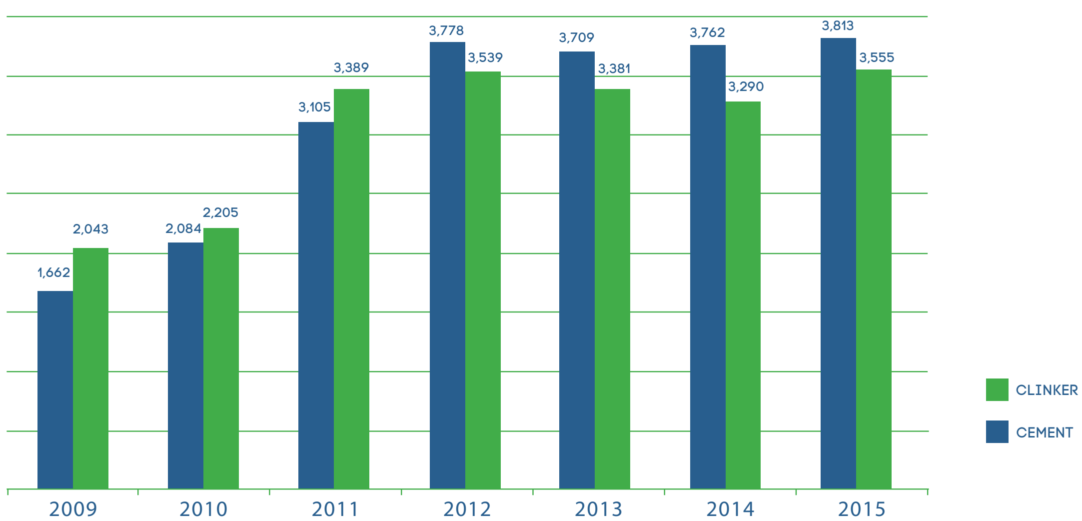
Parent Company: The Parent Company has sold 2.366 Million Tons of Cement during the year against 2.431 Million Tons of Cement in the last year, out of the operations in its Salalah plant, a decrease of 2.67 %.

Subsidiary company: At Pioneer Cement, a subsidiary company, plant in UAE, has sold 1.454 Million Tons of Cement against 1.390 Million Tons in the last year, an increase by 4.60 %.

Cement Sales '000 tonnes



Production in '000 tonnes



Revenue and profit:

Group: During the year, the Group has earned a Revenue of RO 94.68 Million, against RO 94.29 Million in the previous year, an increase by 0.41 %.

The Profit Before Tax stood at RO 25.05 Million as against RO 30.39 Million of the previous year, a decrease of 17.57 %. The Group operating profit has decreased to RO 26.43 Million in the current year from RO 30.47 Million in the last year i.e. a decrease by 13.26 %. This is mainly due to the increase in natural gas price effective 1st January 2015.

The Profit after Tax for the Group has decreased at RO 20.95 Million (LY RO 27.43 Million), a decrease of 23.62 %, during the year.

Parent Company: In spite of the severe price competition from the UAE suppliers, and the volatility in the export market, the Parent Company has achieved the Sales Revenue of RO 65.53 Million during the year against RO 66.99 Million during the previous year, a decrease by 2.18 %.

Profit Before Tax of the Parent Company stood at RO 31.23 Million for the year against RO 24.30 Million earned during the last year, an increase by 28.52 %. This is mainly due to the dividend received from Pioneer, a subsidiary company.

The Profit after Tax for the Parent Company has increased at RO 27.39 Million (LY RO 21.33 Million), an increase of 28.41 %, during the year.

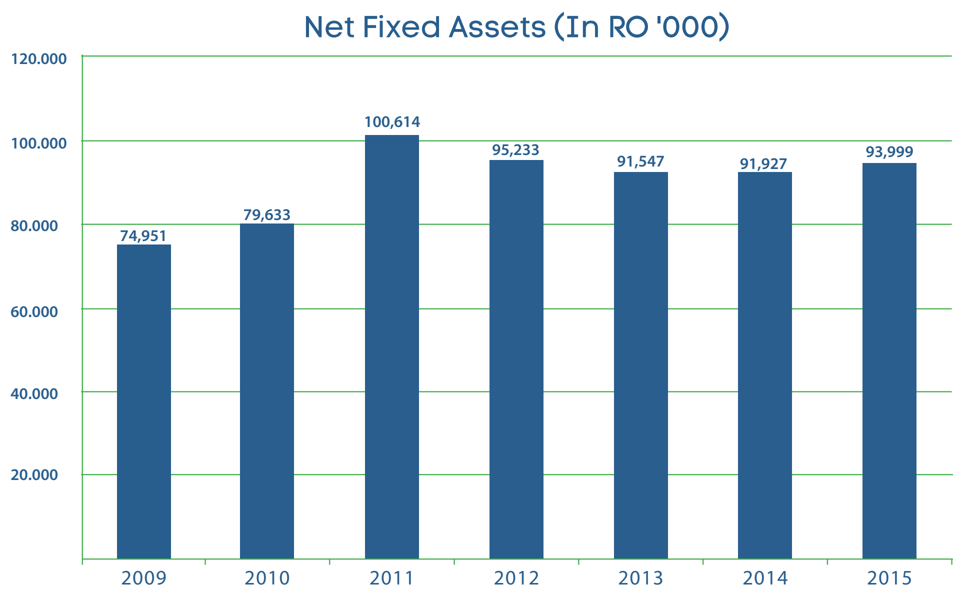
Subsidiary company: During the year, the Sales Revenue, earned by Pioneer Cement, a subsidiary company in UAE amounted to RO 29.28 Million as compared to RO 28.16 Million achieved in the previous year, an increase by 3.98 %.

Pioneer Cement has earned a profit of RO 5.64 Million as against RO 4.89 Million earned during the previous year, an increase by 15.34 %, in spite of the severe competitions faced by the company in the UAE and Oman markets.

Other subsidiary companies: Raybulk Navigation and Raysea Navigation, two of the subsidiaries which provide with shipping services, have earned revenue of RO 1.92 Million and RO 1.47 Million against RO 1.97 Million and RO 1.34 Million.

Profit after tax earned by Raybulk Navigation and Raysea Navigation of RO 0.329 Million and RO 0.050 Million respectively during the year against profit of RO 0.867 Million and a loss of RO 0.02 Million in the last year.

The consolidated profit earned from associated companies amounted to RO 1.08 Million against RO 1.46 Million in last year. During the year, the dividend received by parent Company amounts to RO 13.534 Million against 1.254 Million in last year. The dividend received from a subsidiary company in UAE is RO 12.576 Million and associated company in Yemen is RO 0.897 Million (LY RO 1.11 Million) out of the total dividend mentioned above.



The major markets for the Parent company are domestic, Yemen and East African markets, and that for Pioneer, they are UAE and Oman markets. In southern Oman and southern Yemen markets, the Parent Company is the major player.

Dividend Policy:

The Company has been following a dividend policy based on performance achieved, market as well as investors' expectations and need for transfer to reserve to take care of various internal requirements and future developments.

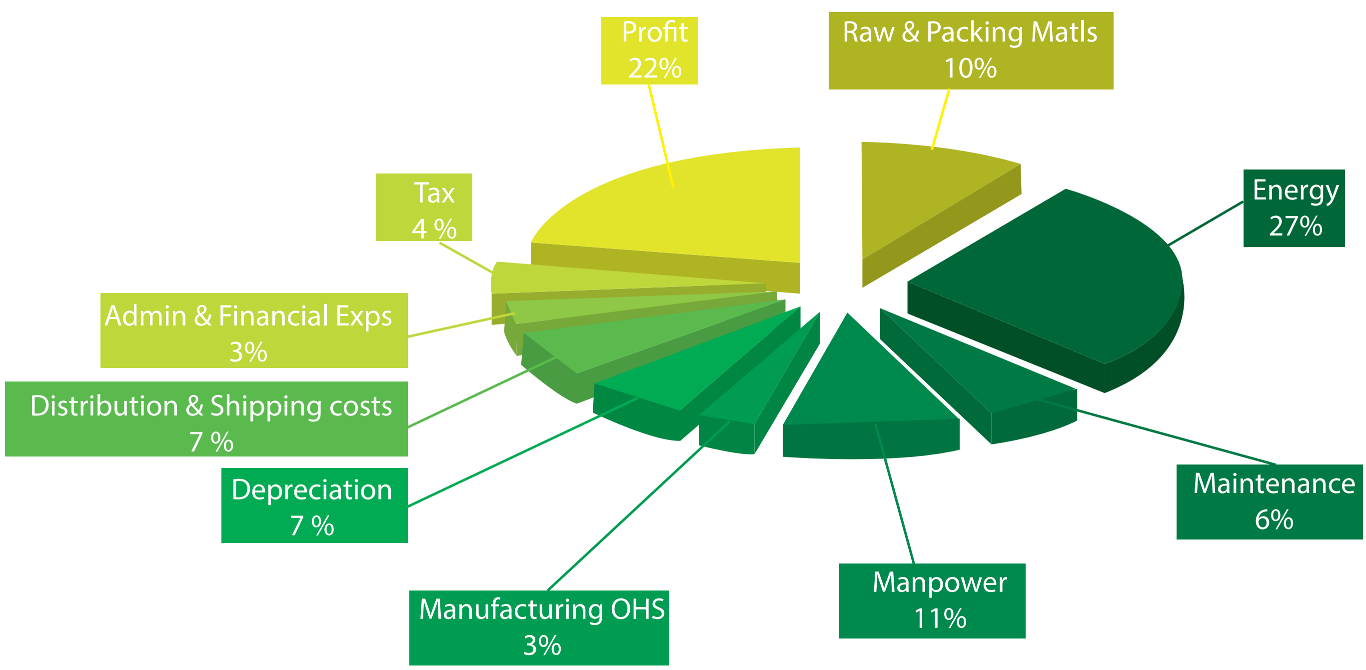
The dividends declared during last five years are tabled below:

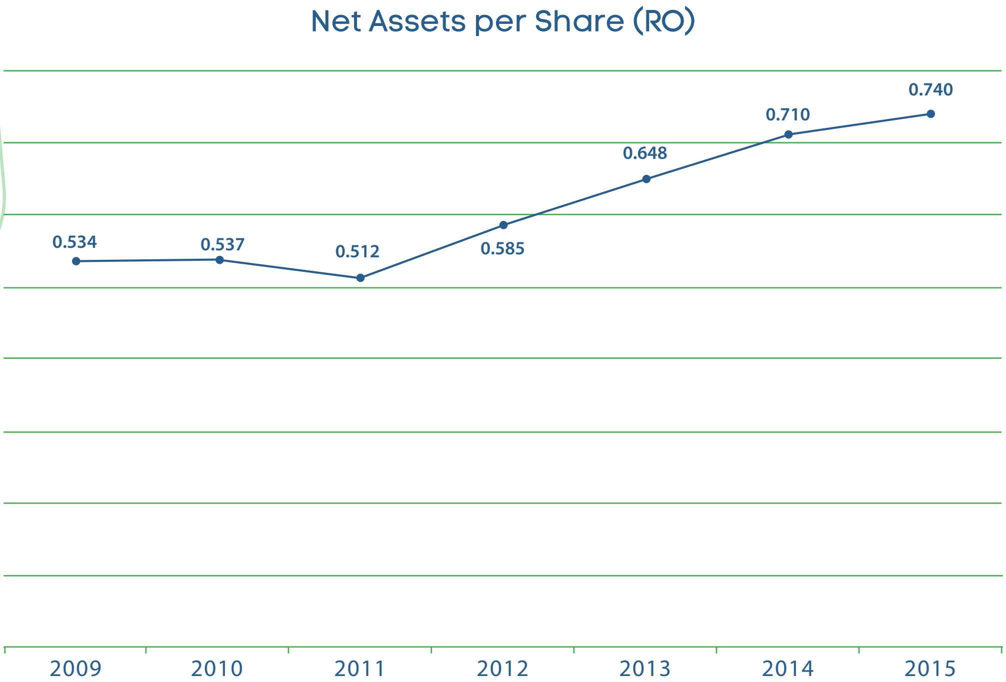
Yearw	**2014**	**2013**	**2012**	**2011**	**2010**
Dividend on paid up capital	75 %	75 %	50 %	100 %	100 %

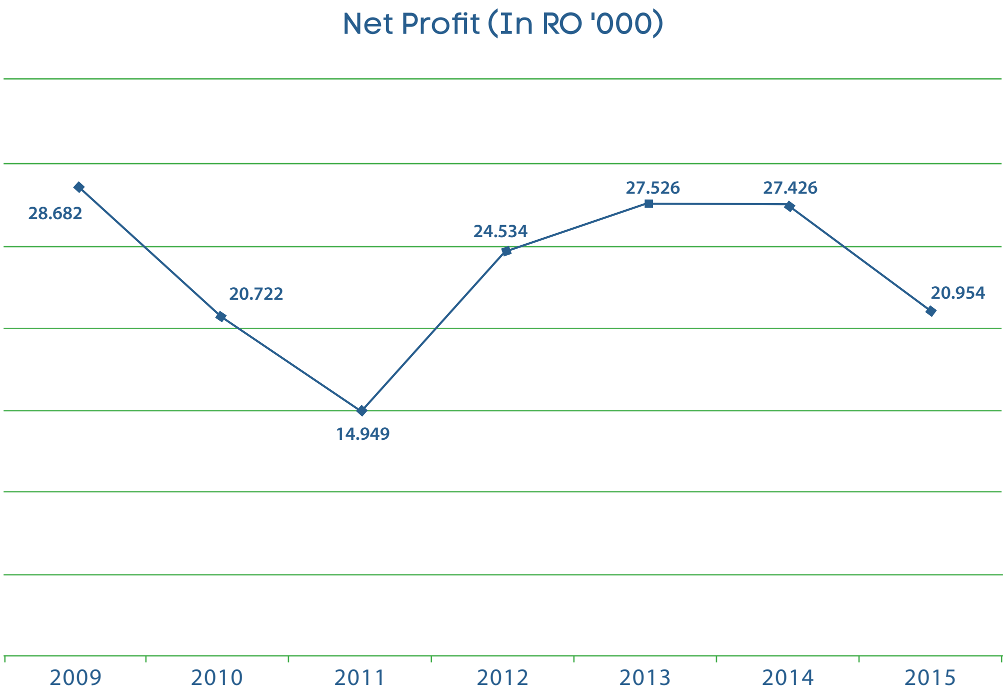
In view of good performance by the company even in a difficult environment, the Board of Directors is proposing to the shareholders in AGM that the dividend of 50 Baisas per share be paid on the paid up capital.

Capital Structure Change: During the year under review no capital restructuring like increase or reduction in capital or issue of bond has happened.

REVENUE DISTRIBUTION




Net Assets per Share (RO)
0.534
0.537
0.512
0.585
0.648
0.710
0.740
2009
2010
2011
2012
2013
2014
2015


Net Profit (In RO '000)
28.682
20.722
14.949
24.534
27.526
27.426
20.954
2009
2010
2011
2012
2013
2014
2015

FUTURE OUTLOOK

Various cost reductions initiatives coupled with optimization of distribution of cement keeping market share and profitability in mind, would be the major area of attention in the coming years. With those internal initiatives the Company is hopeful to minimize the pressure to a great extent.

The management continue to focus on the dynamic and competitive market for cement. The continued emphasis on operational excellence is an important factor to the continuous success of the company. The company has a strong management and a strong operational performance and will continue to strive on a strategy that focuses on the creation of long term value to all the stakeholders while ensuring sustainability in the operations.

The company has invested further in the manufacturing capabilities, in marketing and in human resources to continue to deal with the market dynamics.

EXPANSIONS:

During the current year, the Parent Company has completed the process of establishing a 51 % new subsidiary company in association with Barwaaqo Cement Company LLC in Berbera in Somalia.

The construction of Duqm terminal is underway to ease supplies of cement for development in the area. Additionally, the Company is planning for 150 t/h Rotary Packing Machine with Auto Truck loader at Salalah to provide larger and faster capability of packing cement in bags.

During the current year, the Company has completed the construction of multi purposes compartment Silo of 20,000 MT capacity in Salalah plant and the work is in progress at Pioneer for the additional capacity of 12,000 MT Silo, commissioning will be in 2016. These will add more storage capacity and will enable flexibility for higher productions.

During the current year, the Parent company has signed an agreement for upgrading Parent Company Gas Supply Station at Salalah.. The project is expected to be completed in May, 2016. After which the Parent Company will be able to get additional 40,000 MT of gas. This is subjected to acceptance from Ministry of Oil and Gas. Upon project completion, the production capacity of cement shall be increased to about 120,000 – 130,000.

INVESTMENTS:

The Company has been placing the surplus funds in Fixed Deposits from time to time out of the surplus generated both from Parent Company and its subsidiary in UAE, in order to take as much as possible advantage from these deposits.

EMPLOYEES:

The Company is always on the lookout for professionally qualified staff members in the management to enrich its base, and is striving for training and development of employees for a sustainable growth focused organization. Group of employees were sent on training to various institutes both within and outside the country, apart from holding large number of in house training program.

SOCIAL RESPONSIBILITY:

The Company does recognize its social responsibility and all important need for environmental protection. Maintaining pollution free environment as per international standards and continuously endeavoring to its improvement has been the guiding principles of your Company.

The Company has become a Centre for many Institutions of higher learning and Technical Colleges to train their students under the guidance of our executives with practical hands on experiences.

INTERNAL CONTROL:

Internal control system is being regularly assessed by the Internal Audit Team as well as by the management.

ACKNOWLEDGEMENT:

On behalf of the Board of Directors and on my personal behalf, I take this opportunity to express our deep sense of gratitude to His Majesty and His Government for their unstinted support and guidance.

I would like to thank you for your support and confidence in us. I would also like to thank our associates, dealers, customers, the management team and all our employees for their loyalty, integrity contributions, commitment and continued support to the overall success of the Company.

Ahmed bin Yousuf bin Alawi Al Ibrahim
Chairman of the Board of Directors

We Guarantee Quality

RCC manufactures a varied range of products that meets the highest industry standards..

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DIRECTORS' REPORT AND MANAGEMENT DISCUSSION

The Directors hereby present their 35th Annual Report together with the Audited financial statements for the year ended on 31 December 2015.

Statement of Main Business: The parent Company is in the business of manufacturing and selling of cement and clinker. It sells directly and through its terminals in Sohar and Muscat and also through its associated company in Yemen. The parent Company produces most of the varieties of cement like OPC, SRC, OILWELL and Pozzolana cement. OPC constitutes the bulk of the cement sale. The parent Company has an integrated plant at Salalah. It has three 100 % subsidiaries, namely Pioneer Cement Industries LLC in RAK, UAE, Raysea Navigation SA and Raybulk Navigation Inc.

Pioneer is an integrated cement plant producing and selling cement in UAE and in export market. Raysea and Raybulk are the two shipping companies dealing with distribution of cement to terminals. It has two other associated companies, Oman Portuguese Cement Product LLC with 50 % ownership is dealing with ready mix concrete and other cement products. Mukulla Raysut Trading and Investment Company in Yemen with 49 % ownership and is dealing with sale of cement produced by the parent Company.

Expansion Oppotunities and Risks: The Company always is on the path of expansion or modifications so as to remain active in its operations with higher productivity.

Parent Company, is exploring all possible options to restrain other cost so as to tide over the situation, as far as possible.

Financial Results:

The construction sector though growing mostly driven by public spending, the region as a whole is under pressure from global situation as well as recent oil price decline.

There have been severe competitions across the markets coupled with socio political disturbances in Yemen. Unabated supply of cement from UAE due to surplus capacity and price decline there, has caused dent on price and volume sales in the Northern markets in Oman in particular. However, the group as whole has done well in this very challenging year by optimizing volume sales to markets to reap maximum advantages.

During the year, the group Revenue and sales volume is detailed below:

Revenue		
	2015	**2014**
	RO in Million	
Parent Company RCC	65.53	66.99
Pioneer Cement Company Industries LLC	29.28	28.16
Raysea Navigation SA	1.47	1.34
Raybulk Navigation Inc.	1.92	1.97
Inter- company sales	(3.52)	(4.17)
Total consolidated revenue	94.68	94.29
Increase in revenue: 0.41 %		
Sales Volume Cement and Clinker:	Million Tons	
Parent Company RCC	2.37	2.46
Pioneer Cement Company Industries LLC	1.45	1.39
Inter-company sales	-	(0.04)
Consolidated Sales	3.82	3.81

Profit:

Gross Profit for the group stood at RO 35.49 Million ((LY: RO 39.43 Million), a decrease by 10 %.

Operating Profit for the group stood at RO 26.43 Million (LY: RO 30.47 Million), a decrease of 13.26 %.

PBT during the year stood at RO 25.05 Million (LY: RO 30.39 Million).

PAT stood at RO 20.95 Million (LY: RO 27.43 Million) a decrease by 23.62 %.

****** The financial statements have been regrouped for better presentations. It does not have any impact on net earnings or on the net assets of the company ******

The Highlights of Financial Results during last five years:

RO' Million					
	2015	2014	2013	2012	2011
Sales	94.68	94.29	93.29	92.80	83.81
Operating Profit	26.43	30.47	30.54	28.55	20.37
Cash Profit	28.66	33.34	33.00	31.42	21.82
PBT	25.05	30.39	30.62	27.00	17.04
PAT	20.95	27.43	27.53	24.50	14.95
Equity & Reserve	148.01	142.06	129.64	117.11	102.41
Loans	35.06	44.50	58.00	62.00	65.29
Cash EPS RO	0.143	0.167	0.165	0.157	0.109
EPS RO	0.105	0.137	0.138	0.123	0.075
Dividend %	50 %	75 %	75 %	75 %	50 %
Production MT '000					
Clinker	3,555	3,290	3,381	3,539	3,389
Cement	3,813	3,762	3,709	3,778	3,105
Sales MT '000					
Cement	3,814	3,778	3,728	3,757	3,208
Clinker	4	36	53	65	591

CEMENT DEMAND PROFILE

During the year, the demand for cement went up in Oman due to several ongoing and new initiatives undertaken by the government. But the excess capacity led UAE producers continued supplies at substantially lower prices making the situation very competitive for domestic producers. The higher level construction activities in southern and central region, has salvaged the situation largely. In export segment the volume is lower in Yemen due to the difficulties there.

PRODUCTION

The productions of Cement and Clinker stood at as below: (in MT)

	Cement		Clinker	
	2015	**2014**	**2015**	**2014**
Parent Company	2,357,028	2,374,160	2,190,834	2,089,408
Pioneer Cement	1,455,692	1,388,225	1,363,529	1,200,898
Consolidated	3,812,720	3,762,385	3,554,363	3,290,306

MARKETING :

The company continued facing the competition in the northern markets from the supplies from UAE at low prices. In Yemen there are socio political disturbances. The parent Company, however, could retain the volume sales marginally less compared with that in previous year. The other export markets also picked up during the period, with competition though. In UAE there were excess capacity led competitions and Pioneer continued sales there at competitive prices. The Company also is pursuing the opportunities for newer markets so as to bolster its overall sales. On the whole the period ahead may provide better opportunities for the Company.

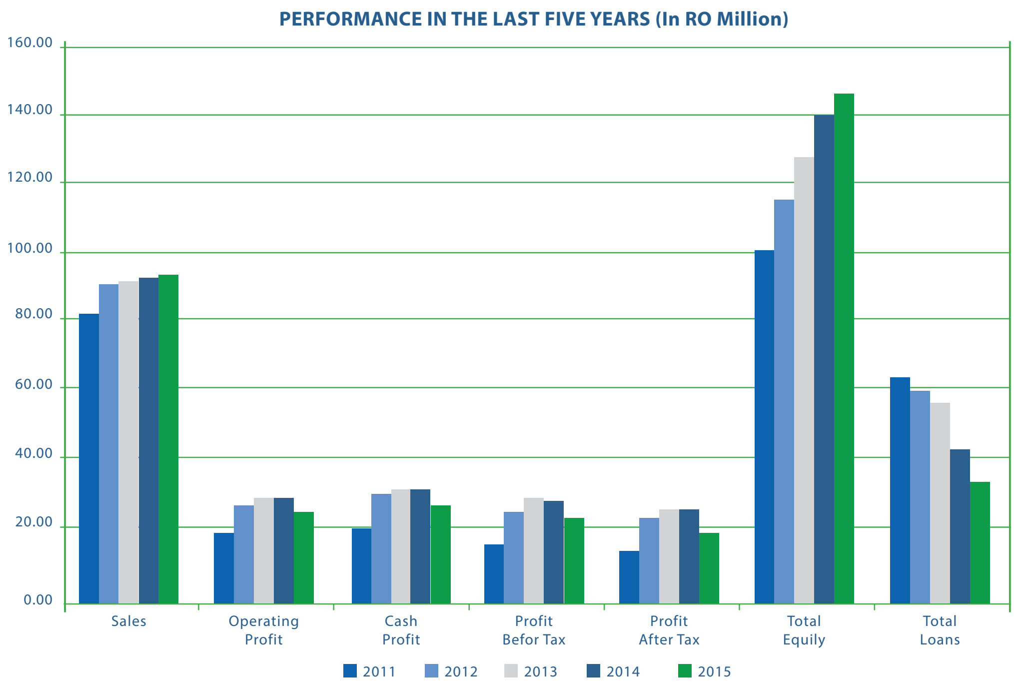
The parent Company's domestic sale of cement volume reached at 1.48 Million Tons (LY: 1.44 Million Tons). The Domestic sale includes 0.007 Million Tons (LY: 0.043 Million Tons) of cement imported from Pioneer. Export sale of cement stood at 0.877 Million Tons (LY: 0.986 Million Tons).

The revenue from domestic segment for parent Company amounted to RO 41.86 Million (LY RO 41.22 Million). Export segment turned out revenue of RO 23.67 Million (LY RO 25.77 Million).

Pioneer a subsidiary sold 1.454 M (LY 1.390 Million) Tons of Cement out of which export market in Oman constituted 1.06 Million Tons (LY 0.978 Million Tons) .The revenue generated by Pioneer amounted to RO 29.28 Million (LY 28.16).

RESERVE AND SURPLUS

The Reserve and Surplus has increased during the year by 5.49 % to RO 114.56 Million (LY RO 108.60 Million) arising out of profit earned by the Company.



LOAN FUNDS:

At the end of the year 2015, both the parent Company and the Group have the outstanding term loan burden of RO 35.06 Million (LY RO 44.50 Million). During the year the Company availed a loan of 13.125. million at a lower interest rate and prepaid loans of higher interest rate.

CASH FLOW

The Company has managed the cash flow effectively through out the year and parked the available funds beyond immediate requirements, in call and time deposits. At the end of the year time deposits worth of RO 13.503 Million (LY RO 15 Million) were parked by the parent Company and RO 2.104 Million (LY 6.31 Million) by Pioneer. Parent company also had amounts in call deposit which is part of cash and cash equivalent in the Financials Statement.

NET ASSETS PER SHARE

The net assets per share for the group have increased during the year to RO 0.740 (LY RO 0.710)

DIVIDEND

In view of good performance by the Company, the Board of Directors is proposing to the shareholders in AGM that the dividend per share be at the rate of 50 % of the paid up capital for 2015.

CORPORATE GOVERNANCE

A separate section on Corporate Governance practices, as followed by the Company, as well as the Report from the Auditors confirming the compliance by the Company, are forming part of this Report.

ACKNOWLEDGEMENTS

We take this opportunity to express our deep sense of gratitude to His Majesty and his Government for their continued guidance and support.

We thank our shareholders for their continued faith and support in what this Company stands for. We also are thankful to our customers, suppliers, financial institutions and various other stake holders of the company for their overwhelming support in achieving the objectives of the company. Our dedicated employees need special mention for the higher levels of achievements on a continual basis.

Ahmed bin Yousuf bin Alawi Al Ibrahim

Chairman of the Board of Directors

We Continue Expansion

RCC has a wide distribution network, supported by several storage and package terminals, and a robust maritime fleet.

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CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR 2015

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REPORT OF FACTUAL FINDINGS

TO THE SHAREHOLDERS OF RAYSUT CEMENT COMPANY SAOG

We have performed the procedures prescribed in Capital Market Authority (CMA) circular number 16/2003, dated 29 December 2003, with respect to the Board of Directors' Corporate Governance Report of **Raysut Cement Company SAOG** (the company) as at and for the year ended 31 December 2015 and application of the corporate governance practices in accordance with CMA Code of Corporate Governance issued under Circular number 11/2002 dated 3 June 2002 and as supplemented by the Rules and Guidelines on Disclosure by Issuers of Securities and Insider Trading approved by Administrative Decision number 5/2007 dated 27 June 2007 and the Executive Regulation of the Capital Market Law issued under the Decision number 1/2009 dated 18 March 2009 (collectively the Code and additional regulations and disclosures). Our engagement was undertaken in accordance with the International Standard on Related Services applicable to agreed-upon procedures engagements. The procedures, as stated in circular number 16/2003, were performed solely to assist you in evaluating the company's compliance with the code as issued by the CMA.

We report our findings on the procedures performed in the following paragraph.

We found the Board of Directors' Corporate Governance Report reflects the company's application of the provisions of the code and additional regulations and disclosures and is free from any material misrepresentation.

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on the accompanying Corporate Governance Report.

Had we performed additional procedures or had we performed an audit or review of Corporate Governance Report in accordance with International Standards on Auditing or International Standards on Review Engagements, other matters might have come to our attention that would have been reported to you.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose. This report relates only to the Board of Directors' Corporate Governance Report included in its annual report for the year ended 31 December 2015 and does not extend to any financial statements of Raysut Cement Company SAOG taken as a whole.

Our obligations in respect of this report are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have (or may have had) as auditors of the company or otherwise. Nothing in this report, nor anything said or done in the course of or in connection with the services, will extend any duty of care we may have in our capacity as auditors of any financial statements of the company.

برايس وترهاوس كوبرز ش م م
C.R. No 1230865
PricewaterhouseCoopers LLC

24 February 2016
Muscat, Sultanate of Oman

PricewaterhouseCoopers LLC, Suites 204-211, Hatat House, WadiAdai, PO Box 3075, PC 112, Ruwi,
Muscat, Sultanate of Oman, T: (968) 24559110, F: (968) 24564408, www.pwc.com/me

The Company has implemented the Code of Corporate Governance during the financial year issued by the Capital Market Authorities.

1. A brief statement on Company's Philosophy on Code of Governance:

The Company has always believed in fair business and corporate practices while dealing with the shareholders, employees, customers, creditors, lenders and others. The Company is prompt in discharging its statutory obligations and duties. The Company is maintaining policies, procedures and systems for the purposes of ensuring the fair and timely release of information about the Company. The Board of Directors ("the Board") has had adequate representation of the professional, qualified, Non-Executive, and Independent Directors. For the matters requiring special attention and also for proper and effective disposal of such matters, the Board has constituted various Committees of Directors from time to time. The Board and the Committee meetings have been held as frequently as required. Adequate disclosures and information are provided to the Board as well as to the Committees. All the Directors attending the Board and Committee Meetings actively participate in their proceedings. Decisions at the Board and Committee meetings are taken unanimously.

2. Board of Directors:

The Board of Directors is elected at the Annual General Meeting for the period of three years, renewable by a resolution of the ordinary general meeting. The Board of the Company consists of nine Directors. All Directors are Independent and Non-Executive Directors. As per requirement of the Capital Market Authority and commercial law of the Companies, none of the Directors on the Board has combined membership in the Board of Directors of Public Companies or other committees more than what is stipulated in Company laws.

All the members of Board satisfy the conditions required for the membership.

The details of composition and categories of Directors are given below:

	Name of the Director	Designate	Category, basis & capacity of membership
1	Mr. Ahmed bin Yousuf bin Alawi Al Ibrahim	Chairman	Non Executive and independent/In personal capacity
2	Mr. Shihab bin Yousuf bin Alawi Al Ibrahim	Vice Chairman	Non Executive and independent/ In personal capacity
3	Mr. Mohd Saif Ghanim Al Suwaidi	Director	Non Executive and independent Nominee – Abu-dhabi Fund for Development
4	Mr.Khalid bin Mohd Hassan Habib	Director	Non Executive and independent Nominee – Islamic Development Bank Jeddah
5	Mr. Fahad bin Abdulla Abdul Aziz Al Rajihi	Director	Non Executive and independent /In personal capacity
6	Sh.Qais bin Mustahil bin Ahmed Al Mashani	Director	Non Executive and independent /In personal capacity
7	Mr.Hussain bin Abdullah bin Ahmed Al Haddad	Director	Non Executive and independent /In personal capacity
8	Mr. Abdullah bin Ali bin Salim Al Sulimi	Director	Non Executive and independent Nominee – Ministry of defense pension fund
9	Mr. Gerhard Hugo Hirth	Director	Non Executive and independent /In personal capacity

3. Role of the Board of Directors and Management

The Company's business is conducted by its employees, officers and Managers under the direction of the Group Chief Executive Officer and the oversight of the Board of Directors.

4. Board, Audit committee and Executive committee meeting :

Board Meetings

During the financial year 2015, the Board of Directors met five times. The maximum time gap between any two meetings was not more than four months.

The details of the Board, Meetings held during the financial year 2015

Meetings No.	Date of the meetings	Total members	Attendance by number of members
1st.meeting	2015/02/25	9	6
2nd.meeting	2015/03/29	9	6
3rd.meeting	2015/06/09	9	7
4TH.meeting	2015/09/02	9	7
5TH.meeting	2015/12/10	9	8

Audit Committee Meetings

The details of the Audit Committee Meetings held during the financial year 2015

Meetings No.	Date of the meetings	Total members	Attendance by number of members
1st.meeting	2015/02/24	4	4
2nd.meeting	2015/05/05	4	3
3rd.meeting	2015/06/08	4	3
4TH.meeting	2015/08/09	4	4
5TH.meeting	2015/10/28	4	4
6TH.meeting	2015/12/10	4	4

Executive Committee Meetings

The details of the Executive Committee Meetings held during the financial year 2015

Meetings No.	Date of the meetings	Total members	Attendance by number of members
1st.meeting	2015/05/05	4	3
2nd.meeting	2015/08/09	4	4
3rd.meeting	2015/10/18	4	4

The details of attendance of each Director at the Board, Audit Committee and Executive Committee Meetings and last AGM held during the financial year 2015:

Current Board of Directors members who elected on 29 March 2015

	Name	No. of Board Meetings attended	No. of Audit Committee Meetings attended	No. of Executive Committee Meetings attended	Annual General Meetings Attended
1	Mr. Ahmed bin Yousuf bin Alawi Al Ibrahim	4	5	3	1
2	Mr. Shihab bin Yousuf bin Alawi Al Ibrahim	4	5	3	1
3	Mr. Mohd Saif Ghanim Al Suwaidi	3	-	-	1
4	Mr.Khalid bin Mohd Hassan Habib	3	-	-	1
5	Mr. Fahad bin Abdulla Abdul Aziz Al Rajihi	4	-	-	1
6	Sh.Qais bin Mustahil bin Ahmed Al Mashani	2	3	2	1
7	Mr.Hussain bin Abdullah bin Ahmed Al Haddad	4	5	3	1
8	Mr. Abdullah bin Ali bin Salim Al Sulimi	3	-	-	1
9	Mr. Gerhard Hugo Hirth	2	-	-	1
Previous Board of Directors members ,whose term ended 29 March 2015					
10	Sh. Ahmed bin Alawi bin Abdulla Al Ibrahim	1	1	-	1
11	Mr. Mohd bin Yousuf bin Alawi Al Ibrahim	1	1	-	1
12	Sh.Khalid bin Abdulla bin Said Al Rawas	1	1	-	1
13	Mr.Mohd Adnan Al Midani	1	-	-	1
14	Mr.Ahmed Bin Ali Sahal Al hafeedh	1	1	-	1

The details of attendance of each Director at the Board, meetings held during the financial year 2015:

	Name	Number of Meetings & Dates Held				
		1	2	3	4	5
		2015/2/25	2015/3/29	2015/6/9	2015/9/2	2015/12/10
1	Mr. Ahmed bin Yousuf bin Alawi Al Ibrahi	-	✓	✓	✓	✓
2	Mr. Shihab bin Yousuf bin Alawi Al Ibrahim	-	✓	✓	✓	✓
3	Mr. Mohd Saif Ghanim Al Suwaidi	-	-	✓	✓	✓
4	Mr.Khalid bin Mohd Hassan Habib	-	-	✓	✓	✓
5	Mr. Fahad bin Abdulla Abdul Aziz Al Rajihi	-	✓	✓	✓	✓
6	Sh.Qais bin Mustahil bin Ahmed Al Mashani	-	✓	-	-	✓
7	Mr.Hussain bin Abdullah bin Ahmed Al Haddad	-	✓	✓	✓	
8	Mr. Abdullah bin Ali bin Salim Al Sulimi	-	-	✓	✓	✓
9	Mr. Gerhard Hugo Hirth	✓	✓	-	-	-
	Previous Board of Directors members ,whose term ended 29 March 2015					
-1	Sh. Ahmed bin Alawi bin Abdulla Al Ibrahi	✓	-	-	-	-
-2	Mr. Mohd bin Yousuf bin Alawi Al Ibrahim	✓	-	-	-	-
-3	Sh.Khalid bin Abdulla bin Said Al Rawas	✓	-	-	-	-
-4	Mr.Mohd Adnan Al Midani	✓	-	-	-	-
-5	Sh.Ahmed Bin Ali Sahal Al hafeedh	✓	-	-	-	-

The details of attendance of Director at the Audit Committee Meetings held during the financial year 2015:

	Name	Number of Meetings & Dates Held					
		1	2	3	4	5	6
		2015/2/24	2015/5/5	2015/6/8	2015/8/9	2015/10/28	2015/12/10
	Current Board of Directors members who elected on 29 March 2015						
1	Mr. Shihab bin Yousuf bin Alawi Al Ibrahim	-	✓	✓	✓	✓	✓
2	Mr. Ahmed bin Yousuf bin Alawi Al Ibrahim	-	✓	✓	✓	✓	✓
3	Sh.Qais bin Mustahil bin Ahmed Al Mashani	-	-	-	✓	✓	✓
4	Mr.Hussain bin Abdullah bin Ahmed Al Haddad	-	✓	✓	✓	✓	✓
	Previous Board of Directors members ,whose term ended 29 March 2015						
5	Sh.Ahmed Bin Ali Sahal Al hafeedh	✓	-	-	-	-	-
6	Sh. Ahmed bin Alawi bin Abdulla Al Ibrahim	✓	-	-	-	-	-
7	Mr. Mohd bin Yousuf bin Alawi Al Ibrahim	✓	-	-	-	-	-
8	Sh.Khalid bin Abdulla bin Said Al Rawas	✓	-	-	-	-	-

The details of attendance of Director at the Audit Committee Meetings held during the financial year 2015:

	Name	Number of Meetings & Dates Held		
		1	**2**	**3**
		2015/5/5	2015/8/9	2015/10/18
1	Mr. Shihab bin Yousuf bin Alawi Al Ibrahim	✓	✓	✓
2	Mr. Ahmed bin Yousuf bin Alawi Al Ibrahim	✓	✓	✓
3	Sh.Qais bin Mustahil bin Ahmed Al Mashani	-	✓	✓
4	Mr.Hussain bin Abdullah bin Ahmed Al Haddad	✓	✓	✓

5. Audit Committee

The Audit Committee was constituted by the Board in 2003. The role and power of the Audit Committee are as per the provisions of the Article 103 of Commercial Company Law (CCL), and as specified under Annexure 3 of the Code of Corporate Governance issued by CMA vide circular No. 2002/11 dated 3rd June 2002, and as amended by circular 2003/1 dated 11th January 2003. The Committee acts as a link between the statutory and internal auditors and the Board of Directors. It reviews the various reports placed before it by the Management and Audit Department and addresses to the larger issues, and examines and considers those facets that could be of vital concern to the Company including adequacy of internal controls, reliability of financial statements/other management information, adequacy of provisions for liabilities, and whether the audit tests are appropriate and scientifically carried out and that they were aligned with the realities of the business, adequacy of disclosures and compliance with all relevant statutes.

As at 31 December 2015, the Audit Committee comprised of following Non-Executive Independent Directors.

Mr. Shihab bin Yousuf bin Alawi Al Ibrahim	Chairman
Mr. Ahmed bin Yousuf bin Alawi Al Ibrahi	Member
Sh.Qais bin Mustahil bin Ahmed Al Mashani	Member
Mr.Hussain bin Abdullah bin Ahmed Al Haddad	Member

The Audit Committee has adequate powers and detailed terms of reference to play effective role as required under the provision of Article 102 of CCL.

6. Executive Committee

The role and power of the Executive Committee is to implement the decisions of the Board of Director .

As at 31 December 2015, the executive Committee comprised of following Non-Executive Independent Directors.

Mr. Ahmed bin Yousuf bin Alawi Al Ibrahim	Chairman
Mr. Shihab bin Yousuf bin Alawi Al Ibrahim	Member
Sh.Qais bin Mustahil bin Ahmed Al Mashani	Member
Mr.Hussain bin Abdullah bin Ahmed Al Haddad	Member

7. Tender Committee

The role and power of the Tender Committee is to take decisions on the procurement of material and services. The Tender Committee comprises of the head of various department.

8. Remuneration Matters

During the financial year 2015, the Directors were paid a total sum of RO 44,500 towards sitting fee for attending various board meetings, audit committee meetings and executive committee meeting as against RO 52,500 for 2014.

In addition to above, the Company has provided for payment of RO 155,500 as Directors Remuneration for attending the Board meetings during 2015 as against RO 147,500 for 2014.

Remuneration of top seven executive employees of the company for 2015 including salary, benefits and bonus amounts to RO.644,775 (last year RO. (660,391)

Performance bonus is paid to the employees based on their performance evaluation on various attributes like productivity, quality etc.

Service contracts are usually of two years and unless terminated by the either of the parties is automatically renewed for a further period of two years. Notice period for termination of contract is one to two months.

9. Disclosure of non-compliance

There were no instances of non-compliance or penalty or strictures imposed on the Company by MSM/ CMA or any statutory authority or for any matter related to capital markets, during the last three years.

10. Means of Communication:

Annual financial statements and invitation for attending annual general meeting to be sent by post to the shareholder according to their registered addresses. Annual, Quarterly and half yearly results were published in local newspapers as per the guidelines of Capital Market Authority and Muscat Securities Market.

Financials were also posted on the web site of Muscat Securities Market.

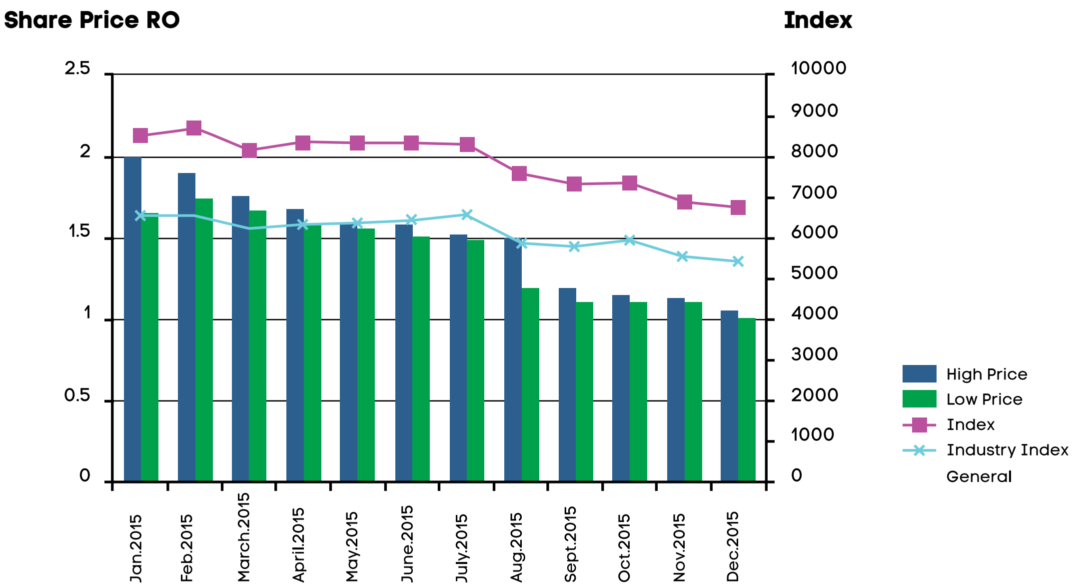
The management discussions and analysis report is part of the annual report.

11. Market Price Data:

The monthly high and low quotations at Muscat Securities Market during financial year 2015 are as follows:

Period	Traded		Price (RO)	
	Shares	Value (RO)	High	Low
January 2015	165,850	291,071	1.985	1.650
February 2015	1,492,924	2,724,685	1.890	1.740
March 2015	557,105	969,179	1.755	1.660
April 2015	245,798	397,402	1.670	1.585
May 2015	438,511	685,251	1.585	1.550
June 2015	491,024	758,645	1.575	1.500
July 2015	84,463	126,758	1.520	1.480
August 2015	671,403	911,486	1.495	1.190
September 2015	530,556	612,528	1.190	1.100
October 2015	215,704	242,956	1.145	1.100
November 2015	439,539	480,552	1.130	1.095
December 2015	394,442	402,983	1.050	1.000

Share price during the financial year 2015 compared to MSM Industrial index and General index are as follows:



12. Distribution of Shareholding :

The following are the major shareholders who own more than 5 % of the outstanding shares as at 31 December 2015:

	Name	Shareholding %
1	Abu Dhabi Fund for Development	15.00
2	Islamic Development Bank	11.71
3	Dolphin International	10.33
4	Baader Bank Aktiengesellschaft	10.00
5	Ministry of Defense Pension Fund	6.93
6	Abdulla bin Abdul Aziz Al Rajhi	8.72
7	Sindibad International Trading Co. LLC	5.94

The shareholding distribution of equity shares as on 31 December 2015 is given below:

No.of Equity shares	No.of Shareholders	No.of Shares	No.of Shares
Less than 100,000	1,134	8,536,880	4.268
100,001 to 500,000	50	9,795,696	4.898
500,001 to 1,000,000	12	7,940,692	3.970
1,000,001 to 10,000,000	14	36,477,344	18.239
10,000,000 & above	7	137,249,388	68.625
TOTAL	1,217	200,000,000	100

13. Categories of shareholding as on 31st December 2015

Category	No. of shares held	Shareholding %
Promoter's holding	90,030,169	45.015
Companies	5,888,616	2.944
Banks & Financial Institutions	54,881,181	27.441
Pension Funds	37,964,237	18.982
Individuals	11,235,797	5.618
TOTAL	200,000,000	100 %

14. Professional Profile of PwC : Statutory Auditor

PwC is a global network of firms operating in 157 countries with more than 208,000 people who are committed to delivering quality in assurance, tax and advisory services. PwC also provides corporate training and professional financial qualifications through PwC›s Academy.

Established in the Middle East for over 40 years, PwC Middle East has firms in Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Oman, the Palestinian territories, Qatar, Saudi Arabia and the United Arab Emirates, with around 3,000 people. (www.pwc.com/me).

PwC has been established in Oman for over 40 years and the Firm comprises 3 partners, including one Omani national, and over 140 professionals and support staff. Expert assurance, tax and advisory professionals are able to combine internationally acquired specialist consulting and technical skills with relevant local experience.

PwC refers to the PwC network and/or one or more of its member firms, each of which is a separate legal entity. Please see www.pwc.com/structure for further details.

During the year 2015, professional fees in the amount of RO 27,300 were rendered by the external auditors in respect of the services provided by them to the organization.

15. Acknowledgment

The Board of Directors acknowledges confirmation of:

- Its responsibility for the preparation of the financial statements in accordance with the applicable standards and rules.

- Review of the efficiency and adequacy of internal control systems of the Company and that it complies with internal rules and regulations.

- There are no material matters that affect the continuation of the Company and its ability to continue its operations during the next financial year.

Ahmed bin Yousuf Bin Alawi Al Ibrahim

Chairman of the Board of Directors

We Recognize Responsibility

The biggest producer of cement in Oman, RCC has been a major partner to the development of the country..

4
RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

CONSOLIDATED AND PARENT COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

Independent auditor's report to the shareholders of Raysut Cement Company SAOG

Report on the financial statements

We have audited the accompanying financial statements of Raysut Cement Company SAOG (the Parent company) and its subsidiaries (together, the Group), which comprise the Parent company's and consolidated statement of financial position as at 31 December 2015 and the Parent company's and consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the disclosure requirements of the Capital Market Authority and the Commercial Companies Law of 1974, as amended and for such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion the accompanying Parent company's and consolidated financial statements present fairly, in all material respects, the financial position of the Parent company and of the Group as at 31 December 2015, and their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers LLC, Hatat House A, Suites 204-211, Wadi Adai, P. O. Box 3075, Ruwi, Post Code 112, Muscat, Sultanate of Oman, T: +968 2 455 9110, F: +968 2 456 4408, www.pwc.com/me

Chartered Accountants Licence No. MH/26, Management Consultants Licence No. ME/161, Commercial Register No. 1307665

Independent auditor's report to the shareholders of Raysut Cement Company SAOG (continued)

Other legal and regulatory requirements

Further, as required by the Rules and Guidelines on Disclosure by Issuers of Securities and Insider Trading ('R&G') issued by the Capital Market Authority ('CMA') of the Sultanate of Oman, we report that the financial statements of the Group and of the Parent company have been properly prepared, in all material respects, in accordance with the R&G, with the Rules for Disclosure and Proformas issued by the CMA and with the Commercial Companies Law of 1974, as amended.

PricewaterhouseCoopers LLC
C.R. No 1230865

24 February 2016
Muscat, Sultanate of Oman

PricewaterhouseCoopers LLC, Hatat House A, Suites 204-211, Wadi Adai, P. O. Box 3075, Ruwi, Post Code 112, Muscat, Sultanate of Oman, T: +968 2 455 9110, F: +968 2 456 4408, www.pwc.com/me

Chartered Accountants Licence No. MH/26, Management Consultants Licence No. ME/161, Commercial Register No. 1307665

RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

CONSOLIDATED AND PARENT COMPANY'S STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

		Parent Company		Consolidated	
	Notes	2015	2014	2015	2014
ASSETS		**RO**	**RO**	**RO**	**RO**
Non-current assets					
Goodwill	8	-	-	45,798,586	45,798,586
Property, plant and equipment	5	66,799,705	63,234,085	93,998,835	91,927,439
Investment in associates	6	2,037,430	2,037,430	4,519,030	4,338,861
Investment in subsidiaries	7	66,539,735	66,539,735	-	-
Advances to subsidiaries	9	3,911,000	5,455,807	-	-
Available-for-sale financial assets	10	125,000	125,000	125,000	125,000
Total non-current assets		**139,412,870**	**137,392,057**	**144,441,451**	**142,189,886**
Current assets					
Inventories	11	9,256,174	8,259,331	14,667,086	14,235,574
Trade receivables	12	6,457,312	5,020,850	9,021,718	8,493,338
Financial assets at fair value through profit or loss	13	3,129,163	4,213,278	3,129,163	4,213,278
Prepayments, advances and other receivables	14	2,139,526	6,156,137	3,180,211	7,195,428
Short term deposits	15	13,503,781	15,007,651	15,607,781	21,319,651
Cash and cash equivalents	16	11,239,516	4,676,478	13,615,159	7,046,099
Total current assets		**45,725,472**	**43,333,725**	**59,221,118**	**62,503,368**
Total assets		**185,138,342**	**180,725,782**	**203,662,569**	**204,693,254**
EQUITY AND LIABILITIES					
EQUITY					
Capital and reserves					
Share capital	17	20,000,000	20,000,000	20,000,000	20,000,000
Share premium	19	13,456,873	13,456,873	13,456,873	13,456,873
Legal reserve	20	6,666,667	6,666,667	6,666,667	6,666,667
Asset replacement reserve	21	3,647,566	3,647,566	3,647,566	3,647,566
Voluntary reserve	22	6,352,434	6,352,434	6,352,434	6,352,434
Retained earnings	23	83,867,074	71,481,868	97,893,593	91,939,680
Total equity		**133,990,614**	**121,605,408**	**148,017,133**	**142,063,220**
LIABILITIES					
Non-current liabilities					
Term loans – non-current portion	24	29,187,500	39,500,000	29,187,500	39,500,000
Deferred taxation	25	3,277,000	3,335,000	3,498,390	3,335,000
End of service benefits	26	820,506	806,508	1,331,369	1,256,096
Total non-current liabilities		**33,285,006**	**43,641,508**	**34,017,259**	**44,091,096**
Current liabilities					
Term loans – current portion	24	5,875,000	5,000,000	5,875,000	5,000,000
Trade and other payables	27	8,054,814	7,581,866	11,794,069	10,641,938
Taxation	37	3,932,908	2,897,000	3,959,108	2,897,000
Total current liabilities		**17,862,722**	**15,478,866**	**21,628,177**	**18,538,938**
Total liabilities		**51,147,728**	**59,120,374**	**55,645,436**	**62,630,034**
Total equity and liabilities		**185,138,342**	**180,725,782**	**203,662,569**	**204,693,254**
Net assets per share	**28**	**0.670**	**0.608**	**0.740**	**0.710**

The financial statements including notes and other explanatory information on pages 42 to 96 were authorized for issue on 22 February 2016 and were signed on behalf of the Board of Directors by:

Ahmed Bin Yousuf Bin Alawi Al Ibrahim
Chairman

Salim Alawi Mohammad Babood
Group Chief Executive Officer

Independent Auditors' report - page 40 and 41.

RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

CONSOLIDATED AND PARENT COMPANY'S STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

		Parent Company		Consolidated	
	Notes	2015	2014	2015	2014
		RO	RO	RO	RO
Revenue	**29**	**65,533,689**	**66,988,731**	**94,676,398**	**94,292,989**
Cost of sales	30	(36,984,020)	(33,391,238)	(59,181,749)	(54,866,268)
Gross profit		**28,549,669**	**33,597,493**	**35,494,649**	**39,426,721**
General and administrative expenses	31	(2,835,584)	(2,569,396)	(4,892,747)	(4,444,580)
Selling and distribution expenses	33	(5,497,091)	(6,429,310)	(4,302,837)	(4,871,926)
Other income	34	34,533	157,553	129,256	355,391
Profit from operations		**20,251,527**	**24,756,340**	**26,428,321**	**30,465,606**
Finance cost - net	35	(1,470,753)	(1,931,841)	(1,435,194)	(1,899,046)
Dividend income from subsidiary	36	12,576,225	-	-	-
Dividend income	36	958,322	1,254,715	61,637	143,529
Share of profits of associates	6	-	-	1,076,854	1,462,316
Fair value (loss)/gain on financial assets at fair value through profit or loss	13	(1,084,115)	215,848	(1,084,115)	215,848
Profit before tax		**31,231,206**	**24,295,062**	**25,047,503**	**30,388,253**
Income tax	37	(3,846,000)	(2,962,086)	(4,093,590)	(2,962,086)
Total profit and comprehensive income for the year		**27,385,206**	**21,332,976**	**20,953,913**	**27,426,167**
Basic and diluted earnings per share	**38**	**0.137**	**0.107**	**0.105**	**0.137**

The notes and other explanatory information on pages 47 to 96 form an integral part of these financial statements.

Independent Auditors' report - page 40 and 41.

RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

CONSOLIDATED AND PARENT COMPANY'S STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

Parent Company		Share capital	Share premium	Legal reserve	Asset replacement reserve	Voluntary reserve	Retained earnings	Total
	Note	RO	RO	RO	RO	RO	RO	RO
At 1 January 2014		20,000,000	13,456,873	6,666,667	3,647,566	6,352,434	65,148,892	115,272,432
Comprehensive income:								
Profit and total comprehensive income for the year	-	-	-	-	-	-	21,332,976	21,332,976
Transactions with owners:								
Dividend paid during the year	18	-	-	-	-	-	(15,000,000)	(15,000,000)
At 31 December 2014		20,000,000	13,456,873	6,666,667	3,647,566	6,352,434	71,481,868	121,605,408
At 1 January 2015		**20,000,000**	**13,456,873**	**6,666,667**	**3,647,566**	**6,352,434**	**71,481,868**	**121,605,408**
Comprehensive income:								
Profit and total comprehensive income for the year		-	-	-	-	-	27,385,206	27,385,206
Transactions with owners:								
Dividend paid during the year	18	-	-	-	-	-	(15,000,000)	(15,000,000)
At 31 December 2015		**20,000,000**	**13,456,873**	**6,666,667**	**3,647,566**	**6,352,434**	**83,867,074**	**133,990,614**

The notes and other explanatory information on pages 47 to 96 form an integral part of these financial statements.

Independent Auditors' report - page 40 and 41.

RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

CONSOLIDATED AND PARENT COMPANY'S STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

Consolidated		Share capital	Share premium	Legal reserve	Asset replacement reserve	Voluntary reserve	Retained earnings	Total
	Note	RO	RO	RO	RO	RO	RO	RO
At 1 January 2014		20,000,000	13,456,873	6,666,667	3,647,566	6,352,434	79,513,513	129,637,053
Comprehensive income:								
Profit and total comprehensive income for the year	-	-	-	-	-	-	27,426,167	27,426,167
Transactions with owners:								
Dividend paid during the year	18	-	-	-	-	-	(15,000,000)	(15,000,000)
At 31 December 2014		20,000,000	13,456,873	6,666,667	3,647,566	6,352,434	91,939,680	142,063,220
At 1 January 2015		**20,000,000**	**13,456,873**	**6,666,667**	**3,647,566**	**6,352,434**	**91,939,680**	**142,063,220**
Comprehensive income:								
Profit and total comprehensive income for the year		-	-	-	-	-	20,953,913	20,953,913
Transactions with owners:								
Dividend paid during the year	18	-	-	-	-	-	(15,000,000)	(15,000,000)
At 31 December 2015		**20,000,000**	**13,456,873**	**6,666,667**	**3,647,566**	**6,352,434**	**97,893,593**	**148,017,133**

The notes and other explanatory information on pages 47 to 96 form an integral part of these financial statements.

Independent Auditors' report - page 40 and 41.

RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

CONSOLIDATED AND PARENT COMPANY'S STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015

		Parent Company		Consolidated	
		2015	2014	2015	2014
	Notes	RO	RO	RO	RO
Operating activities					
Cash generated from operations	**42**	**26,714,873**	**28,410,209**	**37,292,765**	**36,671,350**
Income tax paid		(2,868,092)	(3,708,282)	(2,868,092)	(3,708,282)
Net cash generated from operating activities		**23,846,781**	**24,701,927**	**34,424,673**	**32,963,068**
Investing Activities					
Proceeds from sale of property, plant and equipment		-	36,135	-	36,135
Dividend income received		61,637	143,529	61,637	143,529
Dividend received from associates		896,685	1,111,186	896,685	1,111,186
Dividend from Subsidiaries		12,576,225	-	-	-
Advances repaid by subsidiary		1,544,807	2,025,001	-	-
Decrease in short term deposits		1,503,870	7,492,349	5,711,870	1,180,349
Interest received		87,915	123,421	198,770	158,629
Purchase of property, plant and equipment		(7,812,049)	(3,185,339)	(8,581,742)	(6,294,283)
Net cash generated from/(used in) investing activities		**8,859,090**	**7,746,282**	**(1,712,780)**	**(3,664,455)**
Financing Activities					
Receipts of long term loans		13,125,000	-	13,125,000	-
Repayment of long term loans		(22,562,500)	(13,500,000)	(22,562,500)	(13,500,000)
Dividends paid		(15,000,000)	(15,000,000)	(15,000,000)	(15,000,000)
Interest paid		(1,705,333)	(2,021,292)	(1,705,333)	(2,021,292)
Net cash used in financing activities		**(26,142,833)**	**(30,521,292)**	**(26,142,833)**	**(30,521,292)**
Net increase/(decrease) in cash and cash equivalents		**6,563,038**	**1,926,917**	**6,569,060**	**(1,222,679)**
Cash and cash equivalents at beginning of the year		4,676,478	2,749,561	7,046,099	8,268,778
Cash and cash equivalents at the end of the year		**11,239,516**	**4,676,478**	**13,615,159**	**7,046,099**

The notes and other explanatory information on pages 47 to 96 form an integral part of these financial statements.
Independent Auditors' report - page 40 and 41.

1. Legal status and principal activities

Raysut Cement Company SAOG («the Parent Company» or "Company") was formed in 1981 by Ministerial Decision No. 81/7 and is registered in the Sultanate of Oman as a joint stock company. The Parent Company is engaged in the production and sale of ordinary portland cement, sulphur resistant cement, oil well class ‹G› cement and pozzolana well cement. The registered office of the Company is at P O Box 1020, Salalah, Postal Code 211, Sultanate of Oman.

These financial statements are presented in Rial Omani ("RO") since that is the currency of the country in which the majority of the Company's transactions are denominated.

The principal activities of the subsidiary companies are set out below:

Subsidiary companies	Country of incorporation	Shareholding percentage		Principal activities
		2015	2014	
Pioneer Cement Industries LLC	United Arab Emirates	100 %	100 %	Production and sale of cement
Raysea Navigation SA	Panama	100 %	100 %	Shipping transport company
Raybulk Navigation SA	Marshall Islands	100 %	100 %	Shipping transport company
Pioneer Cement Industries Georgia Limited*	Georgia	100 %	100 %	Limestone quarry
Raysut Cement Company S.A.O.G. (Branch) **	United Arab Emirates	100 %	100 %	Limestone quarry
Associate companies				
Mukalla Raysut Trading and Industrial Company	Republic of Yemen	49 %	49 %	Importing, exporting, packing and marketing of cement products
Oman Portuguese Cement Products LLC	Sultanate of Oman	50 %	50 %	Production and sale of ready mix concrete, blocks and interlocks

One share out of 55,000 shares of Pioneer Cement Industries LLC is held by a third party on trust.

These financial statements represent the results of operations of the Parent Company on a standalone basis and consolidated with its above subsidiaries (the Group).

*Pioneer Cement Industries Georgia Limited is a subsidiary of Pioneer Cement Industries LLC.

**The above Branch is held by the Pioneer Cement Industries LLC for the beneficial interest of the Parent Company. Accordingly, the results of operations and financial position of the Branch have been consolidated in these consolidated financial statements.

2. Summary of significant accounting policies

The principal accounting policies are summarized below. These policies have been consistently applied to each of the years presented, unless otherwise stated.

2.1. Basis of preparation

(a) These financial statements are prepared on the historical cost basis except for the revaluation of investments classified as available for sale financial assets, financial assets at fair value through profit or loss and in accordance with International Financial Reporting Standards (IFRS), disclosure requirements of the Capital Market Authority, the Commercial Companies Law of 1974, (as amended) and also comply with the disclosure requirements set out in the "Rules and Guidelines on Disclosure by issuer of Securities and Insider Trading" issued by the Capital Market Authority (CMA) of the Sultanate of Oman.

(b) The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

(c). Standards and amendments effective in 2015 and relevant for the Group's operations:

For the year ended 31 December 2015, the Group has adopted all of the new and revised standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for periods beginning on 1 January 2015.

The adoption of these standards and interpretations has not resulted in changes to the Group's accounting policies and has not affected the amounts reported for the current year.

(d) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group:

The following standards, amendments and interpretations to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2016 or later periods, but the Company has not early adopted them and the impact of these standards and interpretations is not reasonably estimable as at 31 December 2015:

IFRS 9, 'Financial instruments', (effective on or after 1 January 2018);

IFRS 15 'Revenue', (effective on or after 1 January 2018);

IFRS 16 'Leases', (effective on or after 1 January 2019);

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

2.2. Segment reporting

An operating segment is component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors ('Board') that makes strategic decisions. All operating segment results are reviewed by the Group's CEO to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

2. Summary of significant accounting policies (continued)

2.3. Consolidation

(a). Subsidiaries

Subsidiaries are all entities over which Raysut Cement Company SAOG has control. Raysut Cement Company SAOG controls an entity when it is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control any retained interest in the entity is re- measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(b). Goodwill

Goodwill arising on acquisition of subsidiary is initially recognised at cost, being the excess of cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets and liabilities. Goodwill is subsequently measured at cost less accumulated impairment losses. Negative goodwill is recognised immediately in the consolidated statement of comprehensive income. Impairment losses, if any, in respect of goodwill arising on consolidation are assessed on an annual basis.

2. Summary of significant accounting policies (continued)

2.4. Revenue recognition

Revenue from the sale of goods is stated at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

Dividend income is recognized when the right to receive payment is established.

2.5. Interest income and expense

Interest income and expense are accounted for on the accrual basis using an effective interest rate method.

2.6. Leases

(a). Finance leases

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. A corresponding amount is recognised as a finance leasing liability, irrespective of whether some of these lease payments are payable up-front at the date of inception of the lease. Leases of land and buildings are split into a land and a building element, in accordance with the relative fair values of the leasehold interests at the date the asset is initially recognised.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. The corresponding finance leasing liability is reduced by lease payments less finance charges, which are expensed to finance costs.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised as an expense in the statement of income on a straight-line basis over the lease term.

(b) Operating leases

The operating lease payments are charged to consolidated and parent's company statement of comprehensive income.

2.7. Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in 'Rial Omani', which is the Parent company's functional and the Group's presentation currency.

(b). Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated and parent company's statement of comprehensive income.

2. Summary of significant accounting policies (continued)

(c). Group companies

The accounting records of a subsidiary, Pioneer Cement Industries LLC are maintained in UAE Dirhams (AED). The Rial Omani amounts included in the consolidated financial statements have been translated at an exchange rate of 0.1052 - 2014) 0.1052) Omani Rial to each AED for the statement of comprehensive income and the statement of financial position items, as the AED to RO exchange rate has effectively remained fixed during the year, both currencies being pegged to the US Dollar.

2.8. Income tax

Income tax on the results for the year comprises current and deferred tax.

Current tax recognised in the statement of comprehensive income is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred income tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred taxation. Deferred tax assets are recognized to the extent that it is probable that future tax profits will be available against which tax losses or temporary differences can be utilized. Deferred income tax assets and liabilities are offset as there is a legally enforceable right to offset these in Oman.

The principal temporary differences arise from depreciation on property, plant and equipment and allowance for impairment of receivables and slow moving inventories.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised and is subsequently reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2.9. Earnings and net assets per share

The Group presents earnings per share ("EPS") and net assets per share data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Net assets per share is calculated by dividing the net assets attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

2.10. Directors' remuneration

Director's remuneration has been computed in accordance with the Article 101 of the Commercial Companies Law of 1974, as per the requirements of Capital Market Authority and will be recognised as an expense in the consolidated and parent company's statement of comprehensive income.

2.11. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any identified impairment loss. The cost of property, plant and equipment is their purchase price together with any incidental expenses. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated and parent company's statement of comprehensive income during the financial period in which they are incurred.

2. Summary of significant accounting policies (continued)

2.11. Property, plant and equipment (continued)

Depreciation is charged to the consolidated and parent company's statement of comprehensive income on a straight-line basis over the estimated useful lives of items of property, plant and equipment. The estimated useful lives are as follows:

Buildings and civil works	20 ,5 and 30 years
Plant and machinery	25 years
Ships	15 years
Motor vehicles	5 years
Furniture and fixtures	5 years
Office equipment	5 years
Plant vehicles, equipment and tools	3 and 5 years

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Where the carrying amount of an asset is greater than its estimated recoverable amount it is written down immediately to its recoverable amount.

Gains and losses on disposals of property, plant and equipment are determined by reference to their carrying amounts and are recognised within 'other income' and taken into account in determining operating profit.

Capital work-in-progress is stated at cost less any impairment costs. When commissioned, capital work-in-progress is transferred to the appropriate property, plant and equipment category and depreciated in accordance with the Group's policy.

Interest costs on borrowings to finance the construction of the qualifying assets is capitalised, during the period that is required to complete and prepare the asset for its intended use.

2.12. Impairment

At each reporting date, the Group reviews the carrying amounts of its assets (or cash-generating units) to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

The loss arising on an impairment of an asset is determined as the difference between the recoverable amount and carrying amount of the asset and is recognised immediately in the consolidated and parent company's statement of comprehensive income.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount and the increase is recognised as income immediately, provided that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised earlier.

2.13. Intangible assets

Computer software costs that are directly associated with identifiable and unique software products controlled by the company and have probable economic benefits exceeding the costs beyond one year are recognised as an intangible asset. Direct costs include staff costs of the software development team and an appropriate portion of relevant overheads. Computer software costs recognised as an asset are amortised using the straight-line method over the estimated useful life of five years.

Intangible work-in-progress is not depreciated until it is transferred into intangible assets category, which occurs when the asset is ready to use.

2. Summary of significant accounting policies (continued)

2.14. Investments in associates

Associates are all entities over which the company has significant influence but not control, generally accompanying a shareholding of between 20 % and 50 % of the voting rights. Investments in associates are accounted for using the equity method of accounting in consolidated statement of financial position. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition.

Investment in associate is carried in parent company's statement of financial position at cost less any impairment

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the statement of comprehensive income, and its share of post acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/(loss) of an associate' in the statement of comprehensive income.

Upon loss of significant influence over an associate, the company measures and recognises any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognised in profit or loss.

2.15. Investments in subsidiaries

(a). Classification

Subsidiaries are all entities over which the parent company has control. The parent company controls an entity when it is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

(b). Valuation

Investments in subsidiaries are stated at cost less any diminution in the value of specific investment, which is other than temporary by the Parent company. Investment income is accounted for in the year in which entitlement is established.

2.16. Inventories

Inventories are stated at the lower of cost and net realizable value and measured using weighted average method. Costs comprise purchase cost and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs to be incurred in marketing, selling and distribution.

2. Summary of significant accounting policies (continued)

2.16. Inventories (continued)

Raw materials cost represents price of the goods, and related direct expenses. Finished goods cost represent cost of raw materials, direct labour and other attributable overheads. Work in progress cost represents proportionate cost of raw materials, direct labour and other attributable overheads. Finished goods and work in progress are valued at standard cost i.e at standard usage and standard overheads. Any significant variance if any in actuals then the same is dealt accordingly in inventory valuation.

2.17 Financial assets

The Group classifies its financial assets in the following categories: held-to-maturity financial assets, financial assets at fair value through profit or loss, available-for-sale financial assets and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a). Held-to-maturity investments

Financial assets classified as held to maturity are non-derivative financial assets with fixed or determinable payments and fixed maturity and are intended to be held to maturity. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method, less any impairment.

(b). Financial assets at fair value through profit or loss

(i). Classification

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management.

(ii). Valuation

Financial assets carried at fair value through profit or loss are initially recognised at fair and transaction costs are expensed in the statement of comprehensive income. Financial assets at fair value through profit or loss are subsequently carried at fair value.

The fair values of quoted investments are based on current market bid prices. Gains or losses arising from changes in the fair value including interest income are presented in the consolidated and parent company's statement of comprehensive income in the period in which they arise.

Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred subsequently all risks and rewards of ownership.

All purchases and sales of investments are recognised on the trade date, which is the date that the Group commits to purchase or sell the asset.

(c). Available-for-sale financial assets

(i). Classification

Available-for-sale financial assets are non-derivatives and are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date. Management determines the appropriate classification of its investments at the time of the purchase.

(ii). Valuation

Regular purchases and sales of investments are recognised on the trade date which is the date on which the company commits to purchase or sell the asset. Available-for-sale financial assets are initially recognised at fair value plus transaction costs.

2. Summary of significant accounting policies (continued)

2.17. Financial assets (continued)

(c). Available-for-sale financial assets (continued)

(ii). Valuation (continued)

Available-for-sale financial assets are subsequently carried at fair value. The fair value of quoted investments is based on current bid prices. Where the market is not active or the securities are not listed, fair value is estimated based on valuation techniques.

Any diminution in value of a particular investment is charged against the fair value reserve to the extent that reserve includes a surplus in respect of the same investment, and thereafter to the statement of profit or loss and other comprehensive income.

Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.

Changes in fair value of available-for-sale financial assets are recognised in equity. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in statement of changes in equity are included in the consolidated and parent company's statement of comprehensive income as gains or losses from investments available-for-sale.

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a Group of financial assets is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in statement of comprehensive income is removed from equity and recognised in the statement of comprehensive income. Impairment losses recognised in the consolidated and parent company's statement of comprehensive income on equity instruments are not reversed through the statement of profit or loss and other comprehensive income.

(d). Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise trade and other receivables, bank deposits and cash and cash equivalents in the consolidated and parent company's statement of financial position.

2.18. Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. A allowance for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of trade receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivables are impaired. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the consolidated and parent company's statement of comprehensive income within 'general and administrative expenses'. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against 'general and administrative expenses' in the consolidated and parent company's statement of comprehensive income.

2. Summary of significant accounting policies (continued)

2.19. Cash and cash equivalents

For the purposes of the statement of cash flows, all bank balances, including short-term deposits with a maturity of three months or less from the date of placement, are considered to be cash equivalents.

2.20. Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred and are subsequently measured at amortised cost using an effective interest method. Any difference between the proceeds (net of transaction costs) and redeemed borrowings is recognized over the term of borrowings in the statement of profit or loss and other comprehensive income. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

2.21. Employees' end of service benefits

End of service benefits are accrued in accordance with the terms of employment of the Group›s employees at the reporting date, having regard to the requirements of the applicable labour laws of the countries in which the Group operates and in accordance with IAS 19. Employee entitlements to annual leave and leave passage are recognised when they accrue to employees and an accrual is made for the estimated liability arising as a result of services rendered by employees up to the reporting date. These accruals are included in current liabilities, while that relating to end of service benefits is disclosed as a non-current liability.

Contributions to a defined contribution retirement plan and occupational hazard insurance for Omani employees in accordance with the Omani Social Insurances Law of 1991 are recognised as an expense in the statement of comprehensive income as incurred.

2.22. Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Liabilities are recognised for amounts to be paid for goods and services received, whether or not billed to the Group.

2.23. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event which it is probable will result in an outflow of economic benefits that can be reasonably estimated.

2.24. Dividend distribution

The Board of Directors of the Group recommends to the Shareholders the dividend to be paid out of the Group's profits. The Directors take into account appropriate parameters including the requirements of the Commercial Companies Law of 1974 (as amended) and other relevant directives issued by CMA while recommending the dividend. Dividends are recognised as a liability when declared.

2.25. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

2. Summary of significant accounting policies (continued)

2.25. Borrowing costs

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the cost of those assets. All other borrowing costs are recognized as expenses in the period in which they are incurred.

2.26. Goodwill

Goodwill that arises on the acquisition of subsidiaries is presented with intangible assets.

The Group measures the goodwill at the acquisition date as:

• Fair value of consideration transferred, plus

• Recognizable amount of any non controlling interests in the acquire, less.

• The net recognised amount (generally the fair value) of the assets acquired and liabilities assumed.

• Impairment losses, if any in respect of goodwill arising on consolidation are assessed on annual basis.

3. Financial risk management

3.1. Financial risk factors

The Group's activities expose it to a variety of financial risks including effects of changes in: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. Risk management is carried out by the management under policies approved by the Board of Directors.

(a). Market risk

(i). Foreign exchange risk

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. The Group is exposed to foreign currency risk arising from currency exposures with respect to US Dollar, UAE Dirham and Euro. In respect of the Group's transactions denominated in US Dollar and UAE Dirham, the Group is not exposed to currency risk as the Rial Omani and UAE Dirham are pegged to the US Dollar.

At 31 December 2015, if the Rial Omani had weakened/strengthened by 10 % against the Euro in case of the parent company and the Group, with all other variables held constant, it would have an insignificant impact on the pre-tax profit for the year of the parent company and the Group.

The Group is also exposed to foreign currency risk on investment in an associate in the aggregate amount of approximately RO 113,343 :2014) 113,343) denominated in Yemeni Rials.

(ii). Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether these changes are caused by factors specific to the individual security, or its issuer, or factors affecting all securities in the market.

The Group is exposed to price risk arising from exposure to volatility in the Muscat Securities Market

3. Financial risk management (continued)

3.1. Financial risk factors (continued)

(a). Market risk (continued)

(ii). Price risk (continued)

(MSM) on the investments in listed equity securities included as either fair value through profit or loss or available-for-sale financial assets. The table below summarises the impact of increases/decreases of the indices on the Group's profits and on other components of equity. The analysis is made on the assumption that the equity indices will increase/decrease by 10 % with all other variables held constant and all the Group's equity instruments moved according to the historical correlation with the respective indices:

	Impact on the company's pre-tax profits (on financial assets at fair value through profit or loss)			
Parent and consolidated	Parent Company		Consolidated	
	2015	2014	2015	2014
	RO	RO	RO	RO
MSM	312,916	421,328	312,916	421,328

(iii). Fair value interest rate risk

Interest rate risk arises from the possibility of changes in interest rates and mismatches or gaps in the amount of assets and liabilities that mature or re-price in a given period. The Group is exposed to fair value interest rate risk on its long term loan from the commercial banks as these carry fixed interest rates.

Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group's policy is to maintain almost all of its borrowings in fixed rate instruments. During 2015 and 2014, the Group's borrowings were denominated in Rial Omani currency. The Group analyses its interest rate exposure on a regular basis and reassesses the source of borrowings and renegotiates interest rates at terms favorable to the Group.

At the reporting date, if the interest rate were to shift by 0.5 %, there would be a maximum increase or decrease in the interest expense of RO 2014) 175,313 - RO 222,500) of the parent company and the Group.

The carrying values of the loans are not considered to be materially different from their fair values since the loans are at the market interest rates.

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from cash and cash equivalents, deposits with banks as well as credit exposures to customers including outstanding amounts from related parties and committed transactions.

(i). Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

3. Financial risk management (continued)

3.1. Financial risk factors (continued)

(b). Credit risk

(i). Trade and other receivables (continued)

Concentration of credit risk arises when a number of counter-parties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographical location. Details of the company's and Group's concentration of credit risk are disclosed in note 12. This represents amount receivable from corporate customers from whom there is no past history of default and the Group enjoys a long standing relationship.

The carrying amount of financial assets represents the maximum credit exposure. The exposure to credit risk at the end of the reporting period was on account of:

	Parent Company		Consolidated	
	2015	2014	2015	2014
	RO	RO	RO	RO
Trade receivables	6,457,312	5,020,850	9,021,718	8,493,338
Other receivables	10,851	82,959	12,589	118,167
Bank deposits	13,503,781	15,007,651	15,607,781	21,319,651
Cash at bank	11,233,317	4,669,978	13,576,220	7,016,662
	31,205,261	**24,781,438**	**38,218,308**	**36,947,818**

Most of the customers have provided bank guarantees to the Parent Company. The potential risk in respect of amounts receivable is limited to their carrying values as management regularly reviews these balances whose recoverability is in doubt.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for Groups of similar assets in respect of losses that have been incurred but not yet identified.

When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in the statement of profit or loss and other comprehensive income.

3. Financial risk management (continued)

3.1. Financial risk factors (continued)

(b). Credit risk (continued)

The age of trade receivables and related impairment loss at the end of the reporting period is:

	2015		2014	
	Gross	Allowance for impairment of trade receivables	Gross	Allowance for impairment of trade receivables
	RO	RO	RO	RO
Parent Company				
Due 0 to 180 days	6,457,312	-	5,020,850	-
Past due 181 to 365 days	164,078	164,078	105,817	105,817
Past due 1 to 2 years	10,290	10,290	15,036	15,036
More than 2 years	381,964	381,964	381,879	381,879
	7,013,644	**556,332**	**5,523,582**	**502,732**
Consolidated				
Due 0 to 180 days	9,021,718	-	8,493,338	-
Past due 181 to 365 days	320,213	320,213	253,508	253,508
Past due 1 to 2 years	10,290	10,290	67,707	67,707
More than 2 years	381,964	381,964	381,879	381,879
	9,734,185	**712,467**	**9,196,432**	**703,094**

3. Financial risk management (continued)

3.1. Financial risk factors (continued)

(c). Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition the Group has access to credit facilities.

	Parent Company					
	2015			2014		
	Carrying amount	6 months or less	6 months and above	Carrying amount	6 months or less	6 months and above
	RO	RO	RO	RO	RO	RO
Trade and other payables	8,054,814	8,054,814	-	7,581,866	7,581,866	-
Term loans	35,062,500	2,937,500	32,125,000	44,500,000	2,500,000	42,000,000
	43,117,314	**10,992,314**	**32,125,000**	**52,081,866**	**10,081,866**	**42,000,000**

	Consolidated					
	2015			2014		
	Carrying amount	6 months or less	6 months and above	Carrying amount	6 months or less	6 months and above
	RO	RO	RO	RO	RO	RO
Trade and other payables	11,794,069	11,794,069	-	10,641,938	10,641,938	-
Term loans	35,062,500	2,937,500	32,125,000	44,500,000	2,500,000	42,000,000
	46,856,569	**14,731,569**	**32,125,000**	**55,141,938**	**13,141,938**	**42,000,000**

3.2. Fair value estimation

All the financial assets and liabilities of the Group except for the available-for-sale financial assets and financial assets at fair value through profit or loss are carried at amortised cost. The fair value of the financial assets and liabilities approximates their carrying value as stated in the statement of financial position.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

3. Financial risk management (continued)

3.2. Fair value estimation (continued)

• Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

• Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

• Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Parent Company			
	Level 1	Level 2	Level 3	Total
	RO	RO	RO	RO
2015				
Available-for-sale financial assets	-	-	125,000	125,000
Financial assets at fair value through profit or loss	3,129,163	-	-	3,129,163
	3,129,163	**-**	**125,000**	**3,254,163**
2014				
Available-for-sale financial assets	-	-	125,000	125,000
Financial assets at fair value through profit or loss	4,213,278	-	-	4,213,278
Term loans	**4,213,278**	**-**	**125,000**	**4,338,278**

There were no transfers between the levels during the year.

3.3. Capital risk management

Equity of the Parent Company and Group comprises share capital, share premium, legal reserves, special reserves and retained earnings. Management's policy is to maintain an optimum capital base to maintain investor, creditor and market confidence to sustain future growth of business as well as return on capital. Capital requirements are prescribed by the Commercial Companies Law of 1974, amended, and the Capital Market Authority.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings as shown in the statement of financial position less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

The gearing ratios at 31 December 2015 and 2014 were as follows:

	Parent Company			
	2015	2014	2015	Total borrowings (note 24)
	RO	RO	RO	RO
Trade and other payables	35,062,500	44,500,000	35,062,500	44,500,000
Less: cash and cash equivalents	(11,239,516)	(4,676,478)	(13,615,159)	(7,046,099)
Net debt	23,822,984	39,823,522	21,447,341	37,453,901
Equity	133,990,614	121,605,408	148,017,133	142,063,220
Total capital	**157,813,598**	**161,428,930**	**169,464,474**	**179,517,121**
Gearing Ratio	**15.10 %**	**24.67 %**	**12.66 %**	**20.86 %**

4. Critical accounting estimates and judgments

The Group makes estimates and assumptions concerning the future. Estimates are regularly evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the reporting date and the resultant provisions and changes in fair value for the year.

Such estimates are necessarily based on assumptions about several factors involving varying, and possibly significant, degrees of judgment and uncertainty and actual results may differ from management's estimates resulting in future changes in estimated assets and liabilities.

(a). Classification of investments

Management decides on acquisition of an investment whether it should be classified as held-to-maturity or available-for-sale, financial assets at fair value through profit or loss and loan and receivables.

(i). Available-for-sale financial assets

Management follows the guidance set out in International Accounting Standard (IAS) 39 Financial Instruments: Recognition and Measurement on classifying non-derivative financial assets as available for sale. This classification requires management's judgement based on its intentions to hold such investments.

(ii). Financial assets at fair value through profit or loss

Management follows the guidance set out in International Accounting Standard (IAS) 39 Financial Instruments: Recognition and Measurement on classifying non-derivative financial assets as at fair value through profit or loss.

This classification requires management's judgment based on its intentions to hold such investments.

(b). Fair value estimation

Fair value is based on quoted market prices at the end of the reporting period without any deduction for transaction costs. If a quoted market price is not available, fair value is estimated based on discounted cash flow and other valuation techniques.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market-related rate for a similar instrument at the end of the reporting period.

(c). Impairment of available-for-sale financial assets

The Group follows the guidance of IAS 39 to determine when an available-for-sale financial asset is impaired. This determination requires significant judgement. In making this judgement, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of and short-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

(d). Useful lives of property, plant and equipment

Depreciation is charged so as to write off the cost of assets over their estimated useful lives. The calculation of useful lives is based on management's assessment of various factors such as the operating cycles, the maintenance programs, and normal wear and tear using its best estimates.

4. Critical accounting estimates and judgements (continued)

(e). Allowance for slow moving inventories

Inventories are held at the lower of cost and net realisable value. When inventories become old or obsolete, an estimate is made of their net realisable value. For significant amounts this estimation is performed on a case to case basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and an allowance applied according to the inventory type and the degree of ageing or obsolescence, based on historical movements.

(f). Allowance for impairment of trade receivables

The management reviews the debtors' ageing on a monthly basis and submits the same to the Board of Directors. In case of difficult unsecured debtors whose outstanding is in excess of the credit period allowed, regular follow up is made to collect the same. In case of necessity, legal options are also explored. Debtors' provision is generally made in line with the policy of the Group, taking in to account cases to cases status as well.

Allowance for impairment of trade receivables is based on management assessment of various factors such as the Group's past experience of collecting receivables from customers and the age of trade receivable depending on transaction.

(g). Goodwill and investment in subsidiaries and associated companies

The management follows the guidance of IAS 36 to determine when an investment in a subsidiary/ associate is impaired. This determination requires significant judgement and in making this judgement, the management evaluates, among other factors, the carrying amount of the entity's net assets and the financial health of and short-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

The Board of Directors test annually whether goodwill and investment in subsidiaries and associates have suffered any impairment in accordance with IAS 36, 'Impairment of Assets' which require the use of estimates.(refer note 8)

(h). Investment in an associate

Share of profit of associate companies, Oman Portuguese Cement Products LLC and Mukalla Raysut Trading and Industrial Company amounting to RO 2014) 532,261: RO 560,869) and 901,447 :2014) 544,593) respectively is based on the unaudited financial statements. Historically, the completion of audit of the associates were after issuance of the group's financial statements. However historically no material adjustments have been identified following the completion of the audit of those associates.

5. Property, plant and equipment

Parent Company	Land, buildings and civil works	Plant and machinery	Motor vehicles	Furniture and fixtures	Office equipment	Plant, vehicles, equipment and tools	Capital work in progress (CWIP)	Total
	RO	RO	RO	RO	RO	RO	RO	RO
Cost								
At 1 January 2014	30,913,219	82,728,626	318,575	87,617	964,348	5,380,353	1,304,432	121,697,170
Additions during the year	441,572	795,295	39,800	75,776	4,600	238,204	1,590,092	3,185,339
Transfers during the year	-	-	-	94,214	-	-	(94,214)	-
Disposals during the year	-	-	(26,180)	-	-	(373,170)	-	(399,350)
At 31 December 2014	31,354,791	83,523,921	332,195	257,607	968,948	5,245,387	2,800,310	124,483,159
At 1 January 2015	**31,354,791**	**83,523,921**	**332,195**	**257,607**	**968,948**	**5,245,387**	**2,800,310**	**124,483,159**
Additions during the year	75,906	1,874,575	15,450	9,605	-	103,855	5,732,658	7,812,049
Transfers during the year	1,804,235	345,033	-	-	-	-	(2,149,268)	-
At 31 December 2015	**33,234,932**	**85,743,529**	**347,645**	**267,212**	**968,948**	**5,349,242**	**6,383,700**	**132,295,208**

5. Property, plant and equipment (continued)

Parent Company	Land, buildings and civil works	Plant and machinery	Motor vehicles	Furniture and fixtures	Office equipment	Plant, vehicles, equipment and tools	Capital work in progress (CWIP)	Total
	RO	RO	RO	RO	RO	RO	RO	RO
Accumulated depreciation								
At 1 January 2014	14,534,513	36,759,054	270,444	78,758	921,141	4,959,913	-	57,523,823
Charge for the year	905,165	2,942,250	23,320	29,682	14,319	209,865	-	4,124,601
Disposals	-	-	(26,180)	-	-	(373,170)	-	(399,350)
At 31 December 2014	15,439,678	39,701,304	267,584	108,440	935,460	4,796,608	-	61,249,074
At 1 January 2015	**15,439,678**	**39,701,304**	**267,584**	**108,440**	**935,460**	**4,796,608**	**-**	**61,249,074**
Charge for the year	963,735	3,033,456	23,842	39,036	13,229	173,131	-	4,246,429
At 31 December 2015	**16,403,413**	**42,734,760**	**291,426**	**147,476**	**948,689**	**4,969,739**	**-**	**65,495,503**
Net book amount								
31 December 2015	**16,831,519**	**43,008,769**	**56,219**	**119,736**	**20,259**	**379,503**	**6,383,700**	**66,799,705**
31 December 2014	15,915,113	43,822,617	64,611	149,167	33,488	448,779	2,800,310	63,234,085

5. Property, plant and equipment (continued)

Consolidated	Land, buildings and civil works	Plant and machinery	Ships	Motor vehicles	Furniture and fixtures	Office equipment	Plant, vehicles, equipment and tools	Capital work in progress (CWIP)	Total
	RO	RO	RO	RO	RO	RO	RO	RO	RO
Cost									
At 1 January 2014	40,266,721	106,564,840	7,486,652	529,933	201,774	1,253,152	5,727,425	1,814,681	163,845,178
Additions during the year	441,572	796,452	-	39,800	90,681	11,535	238,203	4,676,040	6,294,283
Transfers during the year	706,428	2,064,871	-	-	94,214	-	-	(2,865,513)	-
Disposals during the year	-	-	-	(26,180)	-	-	(373,170)	-	(399,350)
At 31 December 2014	41,414,721	109,426,163	7,486,652	543,553	386,669	1,264,687	5,592,458	3,625,208	169,740,111
At 1 January 2015	**41,414,721**	**109,426,163**	**7,486,652**	**543,553**	**386,669**	**1,264,687**	**5,592,458**	**3,625,208**	**169,740,111**
Additions during the year	75,905	1,942,601	-	15,450	12,371	4,677	115,953	6,414,785	8,581,742
Impairment of limestone mines	(315,600)	-	-	-	-	-	-	-	(315,600)
Transfers during the year	1,862,727	1,134,519	-	-	-	14,129	276,448	(3,287,823)	-
At 31 December 2015	**43,037,753**	**112,503,283**	**7,486,652**	**559,003**	**399,040**	**1,283,493**	**5,984,859**	**6,752,170**	**178,006,253**

5. Property, plant and equipment (continued)

Consolidated	Land, buildings and civil works	Plant and machinery	Ships	Motor vehicles	Furniture and fixtures	Office equipment	Plant, vehicles, equipment and tools	Capital work in progress (CWIP)	Total
	RO	RO	RO	RO	RO	RO	RO	RO	RO
Accumulated depreciation									
At 1 January 2014	16,694,788	47,317,791	1,305,149	452,710	177,921	1,053,167	5,296,648	-	72,298,174
Charge for the year	1,158,427	3,912,214	499,110	36,233	37,653	54,744	215,467	-	5,913,848
Disposals	-	-	-	(26,180)	-	-	(373,170)	-	(399,350)
At 31 December 2014	17,853,215	51,230,005	1,804,259	462,763	215,574	1,107,911	5,138,945	-	77,812,672
At 1 January 2015	**17,853,215**	**51,230,005**	**1,804,259**	**462,763**	**215,574**	**1,107,911**	**5,138,945**	**-**	**77,812,672**
Charge for the year	1,261,055	4,097,281	499,110	30,997	46,912	54,917	204,474	-	6,194,746
At 31 December 2015	**19,114,270**	**55,327,286**	**2,303,369**	**493,760**	**262,486**	**1,162,828**	**5,343,419**	**-**	**84,007,418**
Net book amount									
31 December 2015	**23,923,483**	**57,175,997**	**5,183,283**	**65,243**	**136,554**	**120,665**	**641,440**	**6,752,170**	**93,998,835**
31 December 2014	23,561,506	58,196,158	5,682,393	80,790	171,095	156,776	453,513	3,625,208	91,927,439

5. Property, plant and equipment (continued)

(i) The limestone mines of the subsidiary company Pioneer Cements LLC are located in UAE and Georgia and are included in property, plant and equipment. These mines are currently not being used by the Group and are retained in order to procure limestone in the future. The Board of Directors of the Group have reviewed the limestone capacity of these mines and based on the expected output and expenditure, a provision for impairment have been recorded against limestone mine located in Georgia based on the net present value is foreseen to be lesser to the carrying value of these mines.

(ii) Buildings of the subsidiary Pioneer Cements LLC are constructed and the site development is carried out on a plot of land leased from a minority shareholder for a period of 25 years. Upon its expiry, the lease can be renewed for a further term to be decided by the parties at that time and the management believes that it will be able to renew the lease for future periods.

(iii). Depreciation is allocated as follows:

	Parent Company		Consolidated	
	2015	2014	2015	2014
	RO	RO	RO	RO
Cost of sales (note 30)	4,152,513	4,049,435	6,027,419	5,732,286
General and administrative expenses (note 31)	93,916	75,166	167,327	181,562
	4,246,429	**4,124,601**	**6,194,746**	**5,913,848**

6. Investment in associates

	Parent Company		Consolidated	
	2015	2014	2015	2014
	RO	RO	RO	RO
Mukalla Raysut Trading and Industrial Company (MRTIC)	113,343	113,343	945,436	1,297,528
Oman Portuguese Cement Products LLC (OPCP)	1,924,087	1,924,087	3,573,594	3,041,333
	2,037,430	**2,037,430**	**4,519,030**	**4,338,861**

6. Investment in associates (continued)

• MRTIC

	Parent Company		Consolidated	
	2015	2014	2015	2014
	RO	RO	RO	RO
Cost	113,343	113,343	113,343	113,343
Add : share of profits at 1 January	-	-	1,184,185	1,393,924
Add : share of profit recognised during the year	-	-	544,593	901,447
Less : dividends received during the year	-	-	(896,685)	(1,111,186)
	113,343	**113,343**	**945,436**	**1,297,528**

Investment in MRTIC represents 49 % (2014-49 %) equity interest in MRTIC, a limited liability company, incorporated in Yemen.

• OPCP

	Parent Company		Consolidated	
	2015	2014	2015	2014
	RO	RO	RO	RO
Cost	1,924,087	1,924,087	1,924,087	1,924,087
Add: Share of profits at 1 January	-	-	1,117,246	556,377
Share of profit recognized during the year	-	-	532,261	560,869
	1,924,087	**1,924,087**	**3,573,594**	**3,041,333**

Investment in OPCP represents 50 % (2014: 50 %) of equity interest and it is a limited liability Company, registered in Oman acquired in 2011.

6. Investment in associates (continued)

Summarized financial information (unaudited) in respect of the MRTIC and OPCP are set out below:

Summarised statement of financial position as of 31 December: 2015

	MRTIC		OPCP		Total	
Summarised statement of financial position as of 31 December:	2015	2014	2015	2014	2015	2014
	RO	RO	RO	RO	RO	RO
Current assets						
Inventories	443,447	173,443	711,205	793,902	1,154,652	967,345
Trade and other receivables	7,057,536	3,988,468	2,819,125	2,794,055	9,876,661	6,782,523
Cash and cash equivalents	1,757,014	2,913,777	938,165	535,071	2,695,179	3,448,848
Total current assets	**9,257,997**	**7,075,688**	**4,468,495**	**4,123,028**	**13,726,492**	**11,198,716**
Non-current assets	730,675	893,932	6,486,302	6,879,130	7,216,977	7,773,062
Current liabilities						
Trade and other payables	8,059,211	5,321,604	1,491,865	1,992,258	9,551,076	7,313,862
Borrowings	-	-	250,000	700,000	250,000	700,000
Total current liabilities	**8,059,211**	**5,321,604**	**1,741,865**	**2,692,258**	**9,801,076**	**8,013,862**
Non-current liabilities						
Borrowings	-	-	3,551,840	3,677,812	3,551,840	3,677,812
Other liabilities	-	-	422,062	457,580	422,062	457,580
Total non-current liabilities	**-**	**-**	**3,973,902**	**4,135,392**	**3,973,902**	**4,135,392**
Net assets	**1,929,461**	**2,648,016**	**5,239,030**	**4,174,508**	**7,168,491**	**6,822,524**
Summarised statement of comprehensive income for the year end 31 December:						
Revenue	12,028,533	21,548,346	12,069,105	10,515,973	24,097,638	32,064,319
Direct cost	(9,686,669)	(15,498,198)	(9,423,403)	(7,628,499)	(19,110,072)	(23,126,697)
Gross profit	2,341,864	6,050,148	2,645,702	2,887,474	4,987,566	8,937,622
Administrative and general expense	(1,106,958)	(4,006,049)	(1,282,674)	(1,341,095)	(2,389,632)	(5,347,144)
Finance cost - net	-	-	(184,052)	(262,367)	(184,052)	(262,367)
Profit before taxation	**1,234,906**	**2,044,099**	**1,178,976**	**1,178,976**	**2,413,882**	**3,328,111**
Income tax expense	(123,491)	(204,411)	(114,454)	(162,274)	(237,945)	(366,685)
Profit for the year and total comprehensive income	**1,111,415**	**1,839,688**	**1,064,522**	**1,121,738**	**2,175,937**	**2,961,426**

6. Investments in associates (continued)

Reconciliation of the summarised financial information presented to the carrying amount of its interest in associates are as follows:

	MRTIC	OPCP	Total
	RO	RO	RO
Net assets at 1 January 2015	**2,648,016**	**4,174,508**	**6,822,524**
Profit for the year	1,111,415	1,064,522	2,175,937
Dividend paid during the year	(1,829,969)	-	(1,829,969)
Net assets at 31 December 2015	**1,929,462**	**5,239,030**	**7,168,492**
Share in associates (50 ,% 49 %)	945,436	2,619,515	3,564,951
Goodwill	-	954,079	954,079
Carrying value at 31 December 2015	**945,436**	**3,573,594**	**4,519,030**
	MRTIC	OPCP	Total
	RO	RO	RO
Net assets at 1 January 2014	3,076,055	3,052,770	6,128,825
Profit for the year	1,839,688	1,121,738	2,961,426
Dividend paid during the year	(2,267,727)	-	(2,267,727)
Net assets at 31 December 2014	2,648,016	4,174,508	6,822,524
Share in associates (50 ,% 49 %)	1,297,528	2,087,254	3,384,782
Goodwill	-	954,079	954,079
Carrying value at 31 December 2014	1,297,528	3,041,333	4,338,861

7. Investment in subsidiaries

	Parent Company		Consolidated	
	2015	2014	2015	2014
	RO	RO	RO	RO
Investments				
Raysea Navigation S.A	3,850	3,850	-	-
Raybulk Navigation S.A	3,850	3,850	-	-
Pioneer Cement Industry LLC	66,532,035	66,532,035	-	-
Total investments	**66,539,735**	**66,539,735**	**-**	**-**

Investment in Raysea Navigation S.A ("Raysea") represents 100 % (2014: 100 %) equity interest. Raysea was incorporated in October 2008 in Panama. The assets of Raysea represent a ship (Raysut 1) which is used to transport cement of the Parent Company to various destinations. Raysea started its commercial operations in January 2011.

Investment in Raybulk Navigation ("Raybulk") represents 100 % (2014: 100 %) equity interest. Raybulk was incorporated in October 2010 in Marshall Islands. The assets of Raybulk represent a ship (Raysut 2) which is used to transport cement of the Parent Company to various destinations. Raybulk started its commercial operations in October 2011.

On 30 December 2010, the Parent Company acquired 100 % ordinary shares of Pioneer Cement Industries LLC ("Pioneer"). One share out of 55,000 shares of Pioneer is held by a third party on trust. Pioneer was incorporated in 24 June 2004 in Ras Al Khaimah, UAE.

7. Investment in subsidiaries (continued)

Summarized audited financial information in respect of subsidiaries is set out below:

	Total assets	Total liabilities	Net assets	Revenue	Profit / (loss)
	RO	RO	RO	RO	RO
2015					
Pioneer	35,013,917	4,588,035	30,425,882	29,273,105	5,633,279
Raysea	3,026,023	2,960,448	65,575	1,468,250	50,159
Raybulk	3,200,199	1,405,588	1,794,611	1,918,446	329,100
2014					
Pioneer	41,329,048	3,912,445	37,416,603	28,160,302	4,892,716
Raysea	3,552,076	3,536,660	15,416	1,337,665	(17,708)
Raybulk	3,530,585	2,065,074	1,465,511	1,965,566	867,053

8. Goodwill

The goodwill was recognized as a result of acquisition of Pioneer as follows:

	2015	2014
	RO	RO
Total consideration transferred	66,532,035	66,532,035
Fair value of identifiable assets at acquisition	(20,733,449)	(20,733,449)
	45,798,586	**45,798,586**

Goodwill includes certain expenses incurred as part of transactions. At the reporting date, the management has tested the goodwill for impairment in accordance with IAS 36 "Impairment of Assets" and has not accounted for any impairment losses at 31 December 2015 since the estimated recoverable amount of the related business in the amount exceeds its carrying value.

The key assumptions forming the basis for the impairment test are as follows:

- Growth Rate based on assumption that business shall grow at 3.8 % per annum (2014-4.2 %)
- Terminal value based on assumption that cash flow shall grow at 1.5 % (2014-1.5 %)
- The discount factor in determining the recoverable amount is 8.8 % (2014- 8 %.)

9. Advances to subsidiaries

	Parent Company		Consolidated	
	2015	2014	2015	2014
	RO	RO	RO	RO
Advances				
Raysea Navigation S.A [note 43(a)]	2,834,000	3,445,175	-	-
Raybulk Navigation S. A [note 43(a)]	1,077,000	2,010,632	-	-
Total	**3,911,000**	**5,455,807**	**-**	**-**

Advances to Raysea and Raybulk represent the purchase cost of the ships and expenses incurred during the pre- operating period and are interest free, unsecured and not repayable within the next twelve months.

10. Available-for-sale financial assets

	Parent Company		Consolidated	
	2015	2014	2015	2014
	RO	RO	RO	RO
Unquoted local equity instrument	125,000	125,000	125,000	125,000

The Board of directors of the company believe that the fair value of investments available-for-sale at 31 December 2015 is not materially different from their cost.

11. Inventories

	Parent Company		Consolidated	
	2015	2014	2015	2014
	RO	RO	RO	RO
Raw materials	840,171	671,637	1,839,353	1,606,994
Work in progress	1,375,141	484,460	2,554,653	1,357,226
Finished goods	441,441	333,505	585,567	466,871
	2,656,753	1,489,602	4,979,573	3,431,091
Spares and consumables	8,539,813	8,529,140	11,923,089	12,934,918
Allowance for slow-moving inventories	(1,940,392)	(1,759,411)	(2,235,576)	(2,130,435)
	9,256,174	**8,259,331**	**14,667,086**	**14,235,574**

Movement in allowance for slow moving inventories is as follows:

	Parent Company		Consolidated	
	2015	2014	2015	2014
	RO	RO	RO	RO
At 1 January	**1,759,411**	**1,852,832**	**2,130,435**	**2,160,736**
Charge/(reversal) during the year (note 30)	180,981	(93,421)	105,141	(30,301)
At 31 December	**1,940,392**	**1,759,411**	**2,235,576**	**2,130,435**

12. Trade receivables

	Parent Company		Consolidated	
	2015	2014	2015	2014
	RO	RO	RO	RO
Trade receivables	4,584,859	5,020,097	7,132,351	7,850,377
Due from related parties [note 43(b)]	2,428,785	503,485	2,601,834	1,346,055
	7,013,644	**5,523,582**	**9,734,185**	**9,196,432**
Allowance for impairment of trade receivables	(556,332)	(502,732)	(712,467)	(703,094)
	6,457,312	**5,020,850**	**9,021,718**	**8,493,338**

(a). At the reporting date, 45 % (2014 - 40 %) of trade receivables are due from 4 customers (2014 - 4 customers) of parent company and 41 % (2014 - 41 %) of trade receivables are due from 6 customers (2014 - 6 customers) of the Group.

(b). Details of gross exposure of trade receivables are set out below

	Parent Company		Consolidated	
	2015	2014	2015	2014
	RO	RO	RO	RO
Not due (up to 3 months)	4,276,115	4,383,987	5,642,348	6,606,156
Past due but not impaired (3 to 6 months)	2,181,197	636,863	3,379,370	1,887,182
Past due and impaired (6 months and above)	556,332	502,732	712,467	703,094
	7,013,644	**5,523,582**	**9,734,185**	**9,196,432**

(c) As of 31 December 2015, Trade receivables relating to parent company of RO 2,181,197 (2014- RO 636,863) and Group trade receivables of RO 3,379,370 (2014- RO 1,887,182), were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default and a significant portion of these debts are covered through bank guarantees.

(d). The individually impaired receivables during the year amounting to RO 556,332 (2014 - RO 502,732) related to parties specifically identified by the Group and were fully provided for. The movement in allowance for impairment of trade receivables during the year is as follows:

	Parent Company		Consolidated	
	2015	2014	2015	2014
	RO	RO	RO	RO
At 1 January	**502,732**	**543,757**	**703,094**	**543,757**
Charge during the year	53,600	49,022	9,373	249,384
Written off during the year	-	(90,047)	-	(90,047)
At 31 December	**556,332**	**502,732**	**712,467**	**703,094**

12. Trade receivables (continued)

(e). The carrying amounts of the Groups's trade receivables and due from related parties before allowance for impairment are denominated in the following currencies:

	Parent Company		Consolidated	
	2015	2014	2015	2014
	RO	RO	RO	RO
Rial Omani	4,379,230	4,928,296	4,379,230	4,928,296
US Dollar	2,634,414	595,286	2,634,414	595,286
UAE Dirhams	-	-	2,720,541	3,672,850
	7,013,644	**5,523,582**	**9,734,185**	**9,196,432**

(f). The fair value of trade receivables are assumed to be the same as their carrying amounts.

(g). Maximum exposure to credit risk at the reporting date is the fair value of each class of receivables mentioned above.

13. Financial assets at fair value through profit or loss

	Parent Company		Consolidated	
	2015	2014	2015	2014
Marketable Securities	**RO**	**RO**	**RO**	**RO**
Fair value				
Bank Dhofar SAOG	2,410,330	3,467,111	2,410,330	3,467,111
Dhofar Insurance Company SAOG	273,333	306,667	273,333	306,667
Dhofar University SAOG	445,500	439,500	445,500	439,500
	3,129,163	**4,213,278**	**3,129,163**	**4,213,278**
Cost				
Bank Dhofar SAOG	938,044	938,044	938,044	938,044
Dhofar Insurance Company SAOG	29,600	29,600	29,600	29,600
Dhofar University SAOG	300,000	300,000	300,000	300,000
	1,267,644	**1,267,644**	**1,267,644**	**1,267,644**

Movement in fair value of financial assets at fair value through profit or loss is as follows is as follows:

	Parent Company		Consolidated	
	2015	2014	2015	2014
	RO	RO	RO	RO
At 1 January	4,213,278	3,997,430	4,213,278	3,997,430
Fair value changes	(1,084,115)	215,848	(1,084,115)	215,848
At 31 December	**3,129,163**	**4,213,278**	**3,129,163**	**4,213,278**

Investment in banking sector represents 77 % (2014: 82 %) of the Group's above investment portfolio.

14. Prepayments, advances and other receivables

	Parent Company		Consolidated	
	2015	2014	2015	2014
	RO	RO	RO	RO
Advances and deposits	661,323	1,003,249	1,375,958	1,420,566
Receivable from tax authorities (note 37)	1,187,946	1,187,946	1,187,947	1,187,946
Other receivables from a related party (note 43(a))	-	58,825	-	58,825
Advances for capital projects	-	3,644,430	-	3,644,430
Advances to staff	63,706	15,723	73,359	30,017
Prepayments	215,700	221,830	530,358	794,302
Other receivables	10,851	24,134	12,589	59,342
	2,139,526	**6,156,137**	**3,180,211**	**7,195,428**

(a) The carrying amounts of the Group's prepayments, advances and other receivables are denominated in Rial Omani.

(b) The fair value of prepayments, advances and other receivables are assumed to be the same as their carrying amounts.

15. Short term deposit

	Parent Company		Consolidated	
	2015	2014	2015	2014
	RO	RO	RO	RO
Short term deposit	**13,503,781**	**15,007,651**	**15,607,781**	**21,319,651**

Short-term deposits of the Parent Company are placed with the commercial bank at interest rates ranging from 1 % to 1.7 % (2014: ranging from 1 % to 1.25 %) per annum and have maturity less than one year from date of placement. For Pioneer Cement, short term deposits are placed with the commercial bank at interest rates ranging from 1.0 % to 1.80 % (2014: 1.76 %) per annum and have maturity of nine to twelve months from date of placement

16. Cash and cash equivalent

	Parent Company		Consolidated	
	2015	2014	2015	2014
	RO	RO	RO	RO
Cash in hand	6,199	6,500	38,939	29,437
Cash at bank				
Current account	4,674,193	4,369,312	7,017,096	6,715,996
Call deposits	6,559,124	300,666	6,559,124	300,666
	11,239,516	**4,676,478**	**13,615,159**	**7,046,099**

Call deposits are placed with the commercial bank at interest rates ranging from 0.5 %-0.75 % (2014: 0.5 %-0.6 %) per annum.

17. Share capital

	Parent Company		Consolidated	
	2015	2014	2015	2014
	RO	RO	RO	RO
Authorised, issued and paid up				
share capital	20,000,000	20,000,000	20,000,000	20,000,000

The authorised, issued and paid up share capital of the Parent Company represents 200,000,000 shares of RO 0.100 each.

At 31 December, the shareholders who own 10 % or more of the Parent Company's share capital are:

	Parent and Consolidated			
	2015		2014	
	% Share	Shares	% Share	Shares
	holding	Held	Holding	held
Abu Dhabi Fund for Development	15.00	30,000,000	15.00	30,000,000
Islamic Development Bank	11.71	23,415,000	11.71	23,415,000
Dolphin International	10.32	20,657,710	10.32	20,657,710
Baader Bank Aktiengesellschaft	10.00	20,010,501	10.00	20,010,501
	47.03	**94,083,211**	**47.03**	**94,083,211**
Others	52.97	105,916,789	52.97	105,916,789
	100.00	**200,000,000**	**100.00**	**200,000,000**

18. Proposed dividend

The Board of Directors at the meeting held on 22 February 2016 proposed a cash dividend of 50 Baizas per share, for the year 2015 (2014: 75 Baizas per share). A resolution to approve the dividend will be presented to the shareholders at the forthcoming Annual General Meeting.

19. Share premium

In the year 1988, 1994, 2005 and 2006, the parent company made an offering of shares to the public at a premium. As a result of the offering, a share premium account with an amount of RO 13,456,873 (2014: 13,456,873) was established. Share premium account is not available for distribution.

20. Legal reserve

Article 106 of the Commercial Companies Law of 1974 requires that 10 % of the Parent Company›s net profit be transferred to a non-distributable legal reserve until the amount of the legal reserve becomes equal to one-third of the Parent Company›s issued share capital. During the year, the Parent Company has not added to this reserve as the stipulated limit is already reached.

In accordance with the UAE Company Law No. 8 of 1984 (as amended), a minimum of 10 % of the profit of the Subsidiary (Pioneer Cement Industries LLC) is to be allocated annually to a non-distributable statutory reserve. Such allocations may be ceased when the statutory reserve becomes equal to half of the share capital. Since the statutory reserve has reached this limit, no further transfers have been made in the current year and the previous year.

21. Asset replacement reserve

The Board of Directors have resolved that 5 % of the Parent Company's net profit be transferred to a reserve for the purpose of replacement of capital assets until the amount together with any other voluntary reserves reach one half of the Parent Company's issued capital. During the year the Parent Company has not added to this reserve as the stipulated limit is already reached.

22. Voluntary reserve

The Board of Directors have resolved that 10 % of the Parent Company's net profit to be transferred to voluntary reserve. During the year, the Parent Company has not added to this reserve as the stipulated limit is already reached as mentioned in note 21 for Asset replacement reserve.

23. Retained earnings

Retained earnings represent the undistributed profits generated by the Group since incorporation.

24. Term loans

	Parent Company		Consolidated	
	2015	2014	2015	2014
	RO	RO	RO	RO
Non-current portion				
Bank Dhofar SAOG	18,000,000	24,500,000	18,000,000	24,500,000
Bank Muscat SAOG	875,000	10,250,000	875,000	10,250,000
Oman Arab Bank SAOC	-	4,750,000	-	4,750,000
Bank Sohar SAOG	10,312,500	-	10,312,500	-
	29,187,500	**39,500,000**	**29,187,500**	**39,500,000**

	Parent Company		Consolidated	
	2015	2014	2015	2014
	RO	RO	RO	RO
Current portion				
Bank Dhofar SAOG	2,500,000	2,500,000	2,500,000	2,500,000
Bank Muscat SAOG	1,500,000	1,500,000	1,500,000	1,500,000
Oman Arab Bank SAOC	-	1,000,000	-	1,000,000
Bank Sohar SAOG	1,875,000	-	1,875,000	-
	5,875,000	**5,000,000**	**5,875,000**	**5,000,000**
	35,062,500	**44,500,000**	**35,062,500**	**44,500,000**

24. Term loans (continued)

The interest rates on the above loans and the repayment schedule is as follows:

	Interest rate	Total	One year	2 to 3 years RO	4 to 10 years RO
	RO	RO	RO	RO	RO
2015 - Parent Company					
Bank Dhofar SAOG	3.0 to 4 %	20,500,000	2,500,000	8,000,000	10,000,000
Bank Muscat SAOG	3.0 to 4 %	2,375,000	1,500,000	875,000	-
Oman Arab Bank SAOC	4 %	-	-	-	-
Bank Sohar SAOG	2.4 %	12,187,500	1,875,000	3,750,000	6,562,500
		35,062,500	**5,875,000**	**12,625,000**	**16,562,500**
2015 - Consolidated					
Bank Dhofar SAOG	3.0 to 4 %	20,500,000	2,500,000	8,000,000	10,000,000
Bank Muscat SAOG	3.0 to 4 %	2,375,000	1,500,000	875,000	-
Oman Arab Bank SAOC	4 %	-	-	-	-
Bank Sohar SAOG	2.4 %	12,187,500	1,875,000	3,750,000	6,562,500
		35,062,500	**5,875,000**	**12,625,000**	**16,562,500**

The interest rates on the above loans and the repayment schedule is as follows:

	Interest rate	Total	One year	2 to 3 years RO	4 to 10 years RO
	RO	RO	RO	RO	RO
2014 - Parent Company					
Bank Dhofar SAOG	3.5 to 4 %	27,000,000	2,500,000	6,500,000	18,000,000
Bank Muscat SAOG	3.5 to 4 %	11,750,000	1,500,000	4,000,000	6,250,000
Oman Arab Bank SAOC	3.5 to 4 %	5,750,000	1,000,000	2,500,000	2,250,000
		44,500,000	5,000,000	13,000,000	26,500,000
2014 - Consolidated					
Bank Dhofar SAOG	3.5 to 4 %	27,000,000	2,500,000	6,500,000	18,000,000
Bank Muscat SAOG	3.5 to 4 %	11,750,000	1,500,000	4,000,000	6,250,000
Oman Arab Bank SAOC	3.5 to 4 %	5,750,000	1,000,000	2,500,000	2,250,000
		44,500,000	**5,000,000**	**13,000,000**	**26,500,000**

A loan of RO 32 million was obtained from Bank Dhofar SAOG repayable in 20 semi-annual variable instalments starting from December 2012. The loan is secured by first pari pasu charge over fixed assets of the Parent Company and assignment of insurance policies along with other banks. The repayment commitment is RO 1.0 million for the first 5 instalments, RO 1.25 million from 6th to 9th instalments, and RO 2 million for last 11 instalments. During the year parent company has early paid RO 4.0 million.

A loan of RO 20 million was obtained from Bank Muscat SAOG repayable in 20 semi-annual variable instalments starting from December 2012. The loan is secured by first pari pasu charge over the fixed assets of the parent Company and assignment of insurance policies along with other banks. The repayment commitment is RO 0.6 million for the first 5 instalments, RO 0.75 million from 6th to 9th instalments, RO 1.25 million for next 10 instalments with last instalment of RO 1.50 million. During the year parent company has early paid RO 7.875 million (2014: RO 5.25 million). Subsequent to the year end, the Parent company has fully paid this loan.

24. Term loans (continued)

A loan of RO 12 million was obtained from Oman Arab Bank SAOG repayable in 20 semi-annual variable instalments. The loan is secured by first pari pasu charge over the fixed assets of the parent Company and assignment of insurance policies along with other banks. The repayment commitment is RO 0.40 million for the first 5 instalments, RO 0.50 million from 6th to 9th instalments, RO 0.75 million for the next 10 instalments with last instalment of RO 0.50 million. During the year company has early paid RO 5.25 million. (4.25 :2014 million) and is fully settled.

The interest rates applicable for the above loans are:

- 3 % per annum for the first year
- 3.5 % per annum for the second year
- 4 % per annum for the third year.
- 3 % per annum subject to annual reset on a negotiated basis from current year

A loan of RO 13.125 million at 2.4 % interest was obtained from Bank Sohar SAOG repayable in 14 equal semi-annual instalments starting from December 2015, to prepay the loans that were at higher rate. The loan is secured by first pari pasu charge over the fixed assets of the parent Company and assignment of insurance policies along with other banks. The interest rate is subject to reset after 3 years on a negotiated basis.

25. Deferred taxation

Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 12 - 2014) % % 12 %). Net deferred tax liability in statement of financial position and the net deferred tax charge in the statement of comprehensive income are attributable to the following items:

	Parent Company		
	1 January	Charge/(credit) for	31 December
	2015	the year	2015
	RO	RO	RO
Deferred tax liability			
Tax effect of excess of tax allowances over book depreciation	(3,606,457)	29,850	(3,576,607)
Deferred tax assets			
Tax effects of allowance for inventories	211,129	21,718	232,847
Tax effect of allowance for doubtful debts	60,328	6,432	66,760
Net deferred tax liability	**(3,335,000)**	**58,000**	**(3,277,000)**
	Consolidated		
	1 January	Charge/(credit) for	31 December
	2015	the year	2015
	RO	RO	RO
Deferred tax liability			
Tax effect of excess of tax allowances over book depreciation	(3,606,457)	(191,540)	(3,797,997)
Deferred tax assets			
Tax effects of allowance for inventories	211,129	21,718	232,847
Tax effect of allowance for doubtful debts	60,328	6,432	66,760
Net deferred tax liability	**(3,335,000)**	**(163,390)**	**(3,498,390)**

25. Deferred taxation (continued)

	Parent Company and Consolidated		
	1 January	Charge/(credit) for	31 December
	2014	the year	2014
	RO	RO	RO
Deferred tax liability			
Tax effect of excess of tax allowances over book depreciation	(3,575,805)	(30,652)	(3,606,457)
Deferred tax assets			
Tax effects of allowance for inventories	222,340	(11,211)	211,129
Tax effect of allowance for doubtful debts	65,465	(5,137)	60,328
Net deferred tax liability	**(3,288,000)**	**(47,000)**	**(3,335,000)**

26. End of service benefits

	Parent Company		Consolidated	
	2015	2014	2015	2014
	RO	RO	RO	RO
At 1 January	**806,508**	**617,019**	**1,256,096**	**951,525**
Charge for the year (note 32)	76,178	214,950	156,892	374,779
Paid during the year	(62,180)	(25,461)	(81,619)	(70,208)
At 31 December	**820,506**	**806,508**	**1,331,369**	**1,256,096**

27. Trade and other payables

	Parent Company		Consolidated	
	2015	2014	2015	2014
	RO	RO	RO	RO
Trade payables	2,780,013	2,471,816	5,588,271	4,859,570
Due to related parties [note 43(c)]	545,363	548,712	-	-
Retention payables	-	44,542	-	44,542
Accrued expenses	4,485,330	4,135,316	5,904,783	5,233,093
Directors' remuneration	155,500	147,500	155,500	147,500
Accrued interest	40,311	155,033	40,311	155,033
Other payables	48,297	78,947	105,204	202,200
	8,054,814	**7,581,866**	**11,794,069**	**10,641,938**

28. Net assets per share

Net asset per share is calculated by dividing the net assets at the end of the reporting period by the number of shares outstanding at that date as follows:

	Parent Company		Consolidated	
	2015	2014	2015	2014
	RO	RO	RO	RO
Net assets (RO)	**133,990,614**	**121,605,408**	**148,017,133**	**142,063,220**
Number of shares outstanding at 31 December	200,000,000	200,000,000	200,000,000	200,000,000
Net asset per share (RO)	**0.670**	**0.608**	**0.740**	**0.710**

29. Revenue

	Parent Company		Consolidated	
	2015	2014	2015	2014
	RO	RO	RO	RO
Local sales - Oman / UAE	41,860,611	41,219,591	49,607,370	49,573,688
Export sales	23,673,078	25,769,140	45,069,028	44,719,301
	65,533,689	**66,988,731**	**94,676,398**	**94,292,989**

30. Cost of sales

	Parent Company		Consolidated	
	2015	2014	2015	2014
	RO	RO	RO	RO
Raw materials consumed	2,224,932	2,274,785	5,611,278	5,171,444
Imported cement	130,396	856,044	-	-
Imported clinker	1,201,453	-	1,201,453	-
Employee related expenses (note 32)	5,033,397	4,483,776	7,041,044	6,111,303
Fuel, gas and electricity	13,069,668	8,304,122	25,965,635	20,625,707
Spares and consumables	3,812,348	4,560,484	5,748,747	6,747,874
Packing materials	2,307,383	1,997,903	3,809,364	3,275,763
Depreciation (note 5)	4,152,513	4,049,435	6,027,419	5,732,286
Other factory overheads	1,922,770	1,501,094	3,104,288	2,701,775
Provision/(reversal) for slow moving inventories (note 11)	180,981	(93,421)	105,141	(30,301)
Movement in finished and semi-finished goods	(935,441)	1,138,618	(1,252,948)	1,949,127
Shipping / terminal expenses	3,883,620	4,318,398	1,820,328	2,581,290
	36,984,020	**33,391,238**	**59,181,749**	**54,866,268**

30. Cost of sales (continued)

The Parent Company has acquired mining rights from the Government for a period of twenty-five years from 1 October 1984, and further renewal of the same is done. Effective March 2006, the Ministry of Commerce and Industry is levying Royalty on the Raw Materials and the cost of RO 2014)598,491 – RO 355,004) is included in the "other factory overheads". Effective July 2015, Public Authority for Mines has increased the royalty rate from 5 % to 10 % and Ministry of Housing has increased the annual land rent from RO 15,872 to RO 114,358.

31. General and administrative expenses

	Parent Company		Consolidated	
	2015	2014	2015	2014
	RO	RO	RO	RO
Employee related costs (note 32)	1,754,739	1,390,818	2,949,160	2,357,544
Donations	203,249	339,820	203,249	339,820
Directors' fees and remuneration	200,000	200,000	200,000	200,000
Rent & utilities	115,630	102,006	253,617	237,100
Depreciation (note 5)	93,916	75,166	167,327	181,562
Telephone/fax/internet	78,169	70,341	114,211	109,350
Travelling	72,349	111,682	76,853	123,567
Recruitment, training and seminars	64,720	45,872	79,345	55,221
Allowance for impairment of trade receivables	53,600	49,022	9,373	249,384
Professional fee	23,842	30,542	68,400	59,683
Legal expenses	13,695	6,929	13,695	6,929
Bank charges	14,668	13,565	40,110	44,377
Management fees	-	-	168,878	150,996
Impairment of limestone mines (note 5)	-	-	315,600	-
Others	147,007	133,633	232,929	329,047
	2,835,584	**2,569,396**	**4,892,747**	**4,444,580**

32. Employee related costs

	Parent Company		Consolidated	
	2015	2014	2015	2014
	RO	RO	RO	RO
Wages and salaries	5,021,140	4,599,173	7,146,308	6,370,468
End of service benefit (note 26)	76,178	214,950	156,892	374,779
Social security expense	223,814	162,655	239,998	174,445
Other benefits	1,467,004	897,816	2,447,006	1,549,155
	6,788,136	**5,874,594**	**9,990,204**	**8,468,847**

32. Employee related costs (continued)

Employee related costs are allocated as follows:

	Parent Company		Consolidated	
	2015	2014	2015	2014
	RO	RO	RO	RO
Cost of sales (note 30)	5,033,397	4,483,776	7,041,044	6,111,303
General and administrative expenses (note 31)	1,754,739	1,390,818	2,949,160	2,357,544
	6,788,136	**5,874,594**	**9,990,204**	**8,468,847**

33. Selling and distribution expense

	Parent Company		Consolidated	
	2015	2014	2015	2014
	RO	RO	RO	RO
Export expenses	4,575,501	5,735,918	3,381,247	4,178,534
Transport charges	921,590	693,392	921,590	693,392
	5,497,091	**6,429,310**	**4,302,837**	**4,871,926**

34. Other income

	Parent Company		Consolidated	
	2015	2014	2015	2014
	RO	RO	RO	RO
Profit on sale of property, plant and equipment	-	36,135	-	36,135
Other miscellaneous income	34,533	121,418	129,256	319,256
	34,533	**157,553**	**129,256**	**355,391**

35. Finance cost – net

	Parent Company		Consolidated	
	2015	2014	2015	2014
	RO	RO	RO	RO
Interest expense on borrowings	1,590,611	2,021,292	1,590,611	2,021,292
Exchange (gain)/loss	(45,226)	33,970	(3,399)	36,383
	1,545,385	2,055,262	1,587,212	2,057,675
Interest income on bank deposits	(74,632)	(123,421)	(152,018)	(158,629)
Finance cost - net	**1,470,753**	**1,931,841**	**1,435,194**	**1,899,046**

36. Dividend income

	Parent Company		Consolidated	
	2015	2014	2015	2014
	RO	RO	RO	RO
Income from investments	61,637	143,529	61,637	143,529
Dividend income from associate	896,685	1,111,186	-	-
	958,322	**1,254,715**	**61,637**	**143,529**
Dividend income from subsidiary				
Pioneer Cement Industries LLC	12,576,225	-	-	-

The dividend income from Pioneer Cement Industries LLC represents dividend for the years from 2011 to 2014.

37. Income tax

(a) The tax charge / (credit) for the year is analysed as follows

	Parent Company		Consolidated	
	2015	2014	2015	2014
	RO	RO	RO	RO
Current tax:				
- In respect of current year	3,932,908	2,897,000	3,959,108	2,897,000
- In respect of prior year	(28,908)	18,086	(28,908)	18,086
	3,904,000	**2,915,086**	**3,930,200**	**2,915,086**
Deferred tax				
- In respect of current year	(58,000)	47,000	163,390	47,000
	3,846,000	**2,962,086**	**4,093,590**	**2,962,086**

(b) The reconciliation of tax on the accounting profit at the applicable rate of 12 % (2014 - 12 %) after the basic exemption limit of RO 30,000 (2014 – RO 30,000) with the taxation charge in the statement of profit or loss and other comprehensive income is as follows:

	Parent Company		Consolidated	
	2015	2014	2015	2014
	RO	RO	RO	RO
Tax charge on accounting profit	**3,744,145**	**2,911,807**	**3,002,100**	**3,642,990**
Add/(less) tax effect of:				
Current tax charge in respect of prior years	(28,908)	18,086	(28,908)	18,086
Tax effect of expenses/ (income) not eligible	130,763	32,193	1,120,398	(698,990)
Taxation charge for the year	**3,846,000**	**2,962,086**	**4,093,590**	**2,962,086**

37. Income tax (continued)

(c) The movement in current tax liability is as follows:

	Parent Company		Consolidated	
	2015	2014	2015	2014
	RO	RO	RO	RO
At 1 January	**2,897,000**	**3,131,059**	**2,897,000**	**3,131,059**
Charge for the year	3,904,000	2,915,086	3,930,200	2,915,086
Paid during the year	(2,868,092)	(3,708,282)	(2,868,092)	(3,708,282)
Receivable from tax authorities transferred to other receivables (note 14)	-	559,137	-	559,137
At 31 December	**3,932,908**	**2,897,000**	**3,959,108**	**2,897,000**

(d) The Parent Company›s income tax assessments for the tax years up to 2010 have been finalised by the tax authorities. The income tax assessments of the Parent Company for the years 2011 to 2014 have not yet been finalised by the tax department. Management is of the opinion that additional taxes, if any, that may be assessed on completion of the assessments for the open tax years would not be significant to the Group's statement of financial position at 31 December 2015.

Subsidiary companies (Raysea Navigation S.A and Raybulk Navigation Inc) are liable to income tax in accordance with the income tax laws of the Sultanate of Oman at the rate of 12 % on taxable profits in excess of RO 30,000.

(e) Pioneer Cement Industries LLC (subsidiary company) is registered in UAE as a limited liability company in Ras Al Khaimah and is not subject to taxation in the UAE.

(f) For the assessment years 2002 to 2009 the tax authorities have included the dividend income of RO 10,579,599 received from associate company MRTIC in the taxable income against which the Parent Company has filed an appeal and has paid the tax department claims and accounted it as receivable from tax department.

For the year 2002, the appeal has been decided in parent company's favour by the Supreme Court. The Appeal court has also decided the matter in company's favour for the tax years from 2003 to 2007, and accordingly the tax authorities have revised the assessment orders and acknowledged an amount of RO 711,598 for the years from 2003 to 2007.

For the years from 2008 to 2009, the tax committee have decided against our appeal and the Company is in the process of filing an appeal in the primary court.

However, from the tax year 2010, dividend income received from MRTIC, is liable for tax and accordingly dealt with for tax provision.

38. Basic and diluted Earnings per share

Basic and diluted earnings per share are calculated by dividing the net profit for the year by the weighted average number of shares outstanding during the year.

	Parent Company		Consolidated	
	2015	2014	2015	2014
Net profit for the year (RO)	27,385,206	21,332,976	20,953,913	27,426,167
Weighted average number of shares	200,000,000	200,000,000	200,000,000	200,000,000
Earnings per share: basic and diluted (RO)	**0.137**	**0.107**	**0.105**	**0.137**

39. Operating lease commitments

The Parent Company has been granted leasehold rights by His Majesty Sultan Qaboos bin Said for the use of land, on which the factory has been constructed for a period of thirty years from 1 July 1984 and further renewal of the same is done during the year for one year period.

At 31 December, the future minimum lease commitments under non-cancellable operating leases are as follows:

	Parent Company		Consolidated	
	2015	2014	2015	2014
Less than one year	1,000	-	1,000	-

40. Commitments

	Parent Company		Consolidated	
Capital Commitments	**2015**	**2014**	**2015**	**2014**
	RO	RO	RO	RO
Civil and structural	228,181	2,404,972	709,371	2,404,972
Plant and machinery	3,627,933	3,106,753	6,154,243	4,082,423
Others	112,124	45,867	112,124	45,867
	3,968,238	5,557,592	6,975,738	6,533,262
Purchase Commitments	**1,684,392**	**1,786,744**	**5,723,528**	**5,907,528**

41. Contingent liabilities

	Parent Company		Consolidated	
	2015	2014	2015	2014
	RO	RO	RO	RO
Letters of credit, guarantee and performance bond	132,308	1,338,911	205,441	1,382,569

42. Cash generated from operations

The reconciliation of the profit before taxation to cash generated from operations is shown below:

	Parent Company		Consolidated	
	2015	2014	2015	2014
	RO	RO	RO	RO
Operating activities				
Profit before taxation	31,231,206	24,295,062	25,047,503	30,388,253
Adjustments for:				
Depreciation	4,246,429	4,124,601	6,194,746	5,913,848
Allowance for doubtful debts	53,600	49,022	9,373	249,384
Written off of trade receivable during the year	-	(90,047)	-	(90,047)
Impairment of limestone mines	-	-	315,600	-
Allowance for slow-moving inventories	180,981	(93,421)	105,141	(30,301)
End of service benefits	76,178	214,950	156,892	374,779
Interest expense	1,590,611	2,021,292	1,590,611	2,021,292
Interest income	(74,632)	(123,421)	(152,018)	(158,629)
Dividend income	(13,534,547)	(1,254,715)	(61,637)	(143,529)
Share of profit from associates	-	-	(1,076,854)	(1,462,316)
Fair value loss/(gain) on financial assets at fair value through profit or loss	1,084,115	(215,848)	1,084,115	(215,848)
Profit on disposal of property, plant & equipment	-	(36,135)	-	(36,135)
Operating results before payment of end of service benefits and working capital changes	**24,853,941**	**28,891,340**	**33,213,472**	**36,810,751**
Payment of end of service benefits	(62,180)	(25,461)	(81,619)	(70,208)
Trade receivables	(1,490,062)	216	(537,753)	338,476
Prepayments & other receivables	4,003,328	(2,916,692)	3,968,464	(3,237,156)
Inventory	(1,177,824)	2,681,870	(536,652)	2,286,122
Trade & other payables	587,670	(221,064)	1,266,853	543,365
Cash generated from operations	**26,714,873**	**28,410,209**	**37,292,765**	**36,671,350**

43. Related parties

Related parties includes the subsidiaries, associates of the parent company and the entities in which certain directors and key management personnel of the Group have an interest. The Group has entered into transactions with its executive officers, directors, subsidiaries, associates and entities in which certain directors of the Group have an interest. In the ordinary course of business, the Group sells goods to related parties and purchases goods from, occupies the premises of and receives services from related parties. These transactions are entered into on terms and conditions, which the directors believe could be obtained on an arm's length basis from independent third parties.

43. Related parties (continued)

(a) Advances to related parties at year end are as follows:

	Parent Company		Consolidated	
Advances:	**2015**	**2014**	**2015**	**2014**
	RO	RO	RO	RO
Advances to subsidiaries				
Raysea Navigation S.A (note 9)	2,834,000	3,445,175	-	-
Raybulk Navigation S.A (note 9)	1,077,000	2,010,632	-	-
	3,911,000	**5,455,807**	**-**	**-**
Other receivables associate company				
MRTIC	-	58,825	-	58,825

Movement to advances to subsidiaries is as follows:

	Parent Company		Consolidated	
	2015	2014	2015	2014
	RO	RO	RO	RO
At 1 January	**5,455,807**	**7,480,808**	**-**	**-**
Advances repaid during the year	(1,544,807)	(2,025,001)	-	-
At 31 December	**3,911,000**	**5,455,807**	**-**	**-**

(b) Amounts due from related parties at year end are as follows:

	Parent Company		Consolidated	
	2015	2014	2015	2014
	RO	RO	RO	RO
Due from related parties:				
Entities related to directors:				
Modern Contracting Company	3,480	4,640	3,480	4,640
Associate companies :				
MRTIC	2,423,696	497,262	2,423,696	497,262
OPCP	1,609	1,583	174,658	844,153
	2,428,785	**503,485**	**2,601,834**	**1,346,055**

43. Related parties (continued)

(c) Amounts due to related parties at year end are as follows:

	Parent Company		Consolidated	
	2015	2014	2015	2014
	RO	RO	RO	RO
Due to related parties :				
Pioneer Cement Company LLC	44,097	42,724	-	-
Raybulk Navigation S. A	251,042	248,052	-	-
Raysea Navigation S.A	250,224	257,936	-	-
	545,363	**548,712**	**-**	**-**

(d) The following transactions were carried out with related parties:

	Parent Company		Consolidated	
	2015	2014	2015	2014
Sale of goods and services:	**RO**	**RO**	**RO**	**RO**
Entities related to directors:				
Salalah Ready Mix LLC	-	1,956,045	-	1,956,045
Modern Contracting Company	22,040	17,980	22,040	17,980
Associate companies :				
MRTIC	8,491,984	13,607,449	8,491,984	13,607,449
OPCP	7,373	4,897	1,299,199	2,054,582
	8,521,397	**15,586,371**	**9,813,223**	**17,636,056**

	Parent Company		Consolidated	
	2015	2014	2015	2014
Purchase of goods and services:	**RO**	**RO**	**RO**	**RO**
Associate companies :				
MRTIC	-	97,199	-	97,199
Subsidiary Companies :				
Pioneer Cement Industries LLC	130,396	856,044	-	-
Raysea Navigation S.A	1,468,250	1,337,665	-	-
Raybulk Navigation S.A	1,918,446	1,965,566	-	-
	3,517,092	**4,256,474**	**-**	**97,199**

43. Related parties (continued)

(c) Key management compensation:

	Parent Company		Consolidated	
	2015	2014	2015	2014
	RO	RO	RO	RO
Board of directors sitting fees	44,500	52,500	44,500	52,500
Directors' remuneration (note 31)	155,500	147,500	155,500	147,500
	200,000	**200,000**	**200,000**	**200,000**
Salaries, allowances and performance bonus paid to Executive officers	644,775	648,863	1,004,159	1,010,864
End of service benefits	-	11,528	16,891	27,550
	644,775	**660,391**	**1,021,050**	**1,038,414**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Parent Company, directly or indirectly, including any director (whether executive or otherwise).

44 Segment information

The Group has adopted IFRS 8 Operating Segments with effect from 1 January 2009. IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance.

The Group has only one business segment. Segment information was, accordingly, presented in respect of Group's geographical segments, which were based on its management reporting structure. Adoption of IFRS 8, therefore, has not resulted in re-designation of its reportable segments.

The Group sells its products primarily in two geographical areas, namely Oman (local) and Yemen and other Gulf Co-operation Council ("GCC") countries (export). Information comprising segment revenue, results and the related receivables are based on geographical location of customers.

	Parent Company					
	Local		Export		Total	
	2015	2014	2015	2014	2015	2014
	RO	RO	RO	RO	RO	RO
Segment revenue	41,860,611	41,219,591	23,673,078	25,769,140	65,533,689	66,988,731
Segment gross profit	17,199,044	19,187,322	11,350,625	14,410,171	28,549,669	33,597,493
Selling and distribution expense	(921,590)	(693,392)	(4,575,501)	(5,735,918)	(5,497,091)	(6,429,310)
Unallocated costs					(4,306,337)	(4,501,237)
Other income	-	-	-	-	34,533	157,553
Dividend income from investments	-	-	-	-	61,637	143,529
Dividend income from associate	-	-	-	-	896,685	1,111,186
Dividend income from Subsidiary	-	-	-	-	12,576,225	-
Fair value (loss)/gain on financial assets at fair value through profit or loss	-	-	-	-	(1,084,115)	215,848
Profit before tax	**16,277,454**	**18,493,930**	**6,775,124**	**8,674,253**	**31,231,206**	**24,295,062**
Segment assets, comprising trade receivables and related parties	**4,313,946**	**4,802,396**	**2,699,698**	**721,186**	**7,013,644**	**5,523,582**

44. Segment information (continued)

	Consolidated					
	Local		Export		Total	
	2015	2014	2015	2014	2015	2014
	RO	RO	RO	RO	RO	RO
Segment revenue	49,607,370	49,573,688	45,069,028	44,719,301	94,676,398	94,292,989
Segment gross profit	19,081,752	23,829,972	16,412,897	15,596,749	35,494,649	39,426,721
Selling and distribution expense	(921,590)	(693,392)	(3,381,247)	(4,178,534)	(4,302,837)	(4,871,926)
Unallocated costs		-	-	-	(6,327,941)	(6,343,626)
Other income	-	-	-	-	129,256	355,391
Dividend income from investments	-	-	-	-	61,637	143,529
Share of profit in an associate	-	-	-	-	1,076,854	1,462,316
Fair value (loss)/gain on financial assets at fair value through profit or loss	-	-	-	-	(1,084,115)	215,848
Profit before tax	**18,160,162**	**23,136,580**	**13,031,650**	**11,418,215**	**25,047,503**	**30,388,253**
Segment assets, comprising trade receivables and related parties	**5,764,189**	**7,499,412**	**3,969,996**	**1,697,020**	**9,734,185**	**9,196,432**

Revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the year. No assets and liabilities, other than trade receivables, are allocated to the reportable segments for the purpose of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker.

Revenue from major products

The following is an analysis of the Group's revenue from its major products.

	Parent Company		Consolidated	
	2015	2014	2015	2014
	RO	RO	RO	RO
Ordinary Portland Cement (OPC)	56,495,726	56,888,556	82,198,440	81,385,763
Sulphate Resistant Cement (SRC)	4,243,646	5,360,332	7,683,641	8,167,383
Others (OWC & Pozmix)	4,707,243	3,936,299	4,707,243	3,936,299
Clinker	87,074	803,544	87,074	803,544
	65,533,689	**66,988,731**	**94,676,398**	**94,292,989**

Information about major customers

Included in revenue from export sale to Yemen and GCC countries of RO 23,673,078 (2014: RO 25,769,140) is the revenue of RO 8,491,984 (2014: RO 13,607,449) which arise from sale to the Group's largest customer, MRTIC(Associate).

45 Financial instruments

(a) Categories of financial instruments

The accounting policies for financial instruments have been applied to the line items below:

Parent Company	Loans and receivables	Held-to-maturity financial assets	Financial assets at fair value through profit or loss	Available-for- sale financial assets	Total
31 December 2015	**RO**	**RO**	**RO**	**RO**	**RO**
Assets as per statement of financial position					
Available-for-sale financial assets	-	-	-	125,000	125,000
Financial assets at fair value through profit or loss	-	-	3,129,163	-	3,129,163
Trade and other receivables (excluding advances and prepayments)	6,468,163	-	-	-	6,468,163
Short term deposit	-	13,503,781	-	-	13,503,781
Cash and cash equivalents	11,239,516	-	-	-	11,239,516
	17,707,679	**13,503,781**	**3,129,163**	**125,000**	**34,465,623**
					Other financial liabilities
31 December 2015					
Liabilities as per statement of financial position					**RO**
Term loans current and non current					35,062,500
Trade and other payables					8,054,814
					43,117,314

Parent Company	Loans and receivables	Held-to-maturity financial assets	Financial assets at fair value through profit or loss	Available-for- sale financial assets	Total
31 December 2014	RO	RO	RO	RO	RO
Assets as per statement of financial position					
Available-for-sale financial assets	-	-	-	125,000	125,000
Financial assets at fair value through profit or loss	-	-	4,213,278	-	4,213,278
Trade and other receivables (excluding advances and prepayments)	5,103,809	-	-	-	5,103,809
Short term deposits	-	15,007,651	-	-	15,007,651
Cash and cash equivalents	4,676,478	-	-	-	4,676,478
	9,780,287	**15,007,651**	**4,213,278**	**125,000**	**29,126,216**
					Other financial liabilities
31 December 2014					
Liabilities as per statement of financial position					RO
Term loans - current and non-current					44,500,000
Trade and other payables					7,581,866
					52,081,866

45 Financial instruments (continued)

(a) Categories of financial instruments (continued)

Consolidated	Loans and receivables	Held-to-maturity financial assets	Financial assets at fair value through profit or loss	Available-for- sale financial assets	Total
31 December 2015	**RO**	**RO**	**RO**	**RO**	**RO**
Assets as per statement of financial position					
Available-for-sale financial assets	-	-	-	125,000	125,000
Financial assets at fair value through profit or loss	-	-	3,129,163	-	3,129,163
Trade and other receivables (excluding advances and prepayments)	9,034,307	-	-	-	9,034,307
Short term deposits	-	15,607,781	-	-	15,607,781
Cash and cash equivalents	13,615,159	-	-	-	13,615,159
	22,649,466	**15,607,781**	**3,129,163**	**125,000**	**41,511,410**
					Other financial liabilities
31 December 2015					
Liabilities as per statement of financial position					**RO**
Term loans - current and non-current					35,062,500
Trade and other payables					11,794,069
Liabilities as per statement of financial position					**46,856,569**

	Loans and receivables	Held-to-maturity financial assets	Financial assets at fair value through profit or loss	Available-for- sale financial assets	Total
31 December 2014	RO	RO	RO	RO	RO
Assets as per statement of financial position					
Available-for-sale financial assets	-	-	-	125,000	125,000
Financial assets at fair value through profit or loss	-	-	4,213,278	-	4,213,278
Trade and other receivables (excluding advances and prepayments)	8,611,505	-	-	-	8,611,505
Short term deposits	-	21,319,651	-	-	21,319,651
Cash and cash equivalents	7,046,099	-	-	-	7,046,099
	15,657,604	21,319,651	4,213,278	125,000	41,315,533
					Other financial liabilities
Liabilities as per statement of financial position					RO
Term loans - current and non-current					44,500,000
Trade and other payables					10,641,938
Liabilities as per statement of financial position					55,141,938

45 Financial instruments (continued)

(b) Credit quality of financial assets

As per the credit policy of the Group, customers are extended a credit period of up to 90 days in the normal course of business. However, in some cases, due to the market conditions and historical business relationship with the customer the credit period may be extended by a further period of 90 days. The credit quality of financial assets is determined by the customers history of meeting commitments, market intelligence related information and management's trade experience.

	Parent company		Consolidated	
Trade receivables	2015	2014	2015	2014
	RO	RO	RO	RO
Counterparties without external credit rating:				
Up to 6 months	6,457,312	5,020,850	9,021,718	8,493,338
Due above 6 months	556,332	502,732	712,467	703,094
	7,013,644	**5,523,582**	**9,734,185**	**9,196,432**

Cash and cash equivalent and short term deposits

	Parent Company		Consolidated	
	2015	2014	2015	2014
	RO	RO	RO	RO
P - 1	8,568,968	19,309,908	10,376,067	19,548,570
P - 2	13,165,457	367,721	14,143,048	585,805
P - 3	-	-	652,272	1,801,474
Not rated	3,002,673	-	4,012,614	6,400,464
	24,737,098	**19,677,629**	**29,184,001**	**28,336,313**

The rest of the statement of financial position item 'cash and cash equivalents' is cash on hand.

46 Comparative figures

Certain comparative figures have been reclassified in order to conform the presentation for the current year. These have no impact on the profit for the year or total equity. The details are as follows;

	Parent Company			Consolidated		
	2015	2014	2014	2015	2014	2014
		Revised			Revised	
	RO	RO	RO	RO	RO	RO
General and administrative expenses	2,835,584	2,569,396	2,555,831	4,577,147	4,444,580	4,400,203
Finance cost - net	1,470,753	1,931,841	1,945,406	1,435,194	1,899,046	1,943,423
	4,306,337	**4,501,237**	**4,501,237**	**6,012,341**	**6,343,626**	**6,343,626**
Cash and cash equivalents	11,239,516	4,676,478	4,158,155	13,615,159	7,046,099	6,527,776
Trade and other payables	8,054,814	7,581,866	7,063,543	11,794,069	10,641,938	10,123,615

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