Financial Statements and Independent Auditor's Report

Gulf Plastic Industries Company SAOG

31 December 2014

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Contents

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Independent Auditor's Report

To the Shareholders of
Gulf Plastic Industries Company SAOG
P.O. Box 55
Postal Code 124
Sultanate of Oman

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Gulf Plastic Industries Company SAOG (the Company) which comprise the statement of financial position as at 31 December 2014, and the statement of profit or loss and other comprehensive income, statement of changes in Shareholders' equity, statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

SHAREHOLDERS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, the Commercial Companies Law of 1974, as amended, and for such internal control as management determines is 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 relevant 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 our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider 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 principles used and the reasonableness of the 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 opinion.

Abu Timam
Grant Thornton

OPINION

In our opinion, the financial statements set out on pages 3 to 26 present fairly in all material respects, the financial position of Gulf Plastic Industries Company SAOG as at 31 December 2014, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

OTHER MATTER

The financial statements of the Company for the year ended 31 December 2013 were audited by another auditor whose report dated 1 March 2014 expressed an unmodified opinion.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the financial statements of the Company as of and for the year ended 31 December 2014, in all material respects comply with relevant requirements of the Commercial Companies Law of 1974, as amended, and in all material respect with the disclosure requirements of the public joint stock companies issued by the Capital Market Authority.

ABU TIMAM
(Chartered Certified Accountants)

3 March 2015

Abu Timam Grant Thornton
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Statement of financial position

as at 31 December 2014

	Notes	2014 RO	2013 RO
ASSETS			
Non-current assets:			
Property, plant and equipment	5	**1,233,067**	1,144,727
Total non-current assets		**1,233,067**	1,144,727
Current assets:			
Inventories	6	**790,537**	750,543
Trade receivables and prepayments	7	**1,198,132**	1,069,964
Cash and cash equivalents	8	**350,978**	308,058
Total current assets		**2,339,647**	2,128,565
Total assets		**3,572,714**	3,273,292
SHAREHOLDERS' EQUITY AND LIABILITIES			
Capital and reserves:			
Share capital	9	**1,000,000**	1,000,000
Legal reserve	10	**169,519**	141,147
Special reserve	11	**10,123**	10,123
Other components of equity	12	**128,334**	-
Retained earnings		**1,049,284**	729,775
Total Shareholders' equity		**2,357,260**	1,881,045
LIABILITIES			
Non-current liabilities:			
Government soft loans	13	**-**	236,239
Deferred Government grant		**-**	13,761
Staff terminal benefits	14	**167,789**	138,272
Deferred tax liability	23	**78,850**	29,323
Total non-current liabilities		**246,639**	417,595
Current liabilities:			
Government soft loans	13	**250,000**	252,972
Trade payables and accruals	15	**705,493**	713,067
Amounts due to a related party	16	**1,913**	8,613
Provision for tax	23	**11,409**	-
Total current liabilities		**968,815**	974,652
Total liabilities		**1,215,454**	1,392,247
Total Shareholders' equity and liabilities		**3,572,714**	3,273,292
Net assets per share	24	**2.357**	1.881

The financial statements on pages 3 to 26 were approved by the Directors on 3 March 2015 and were signed on their behalf by:

DIRECTOR DIRECTOR

The accompanying notes on pages 7 to 26 form an integral part of these financial statements.

The report of the Auditor is set forth on page 1.

Statement of profit or loss and other comprehensive income

for the year ended 31 December 2014

	Notes	2014 RO	2013 RO
Revenue	17	**5,408,972**	5,291,609
Cost of sales	18	**(4,664,128)**	(4,519,179)
Gross profit		**744,844**	772,430
Administrative expenses	19	**(345,645)**	(334,487)
Selling and distribution expenses	20	**(135,192)**	(155,699)
Operating profit		**264,007**	282,244
Other income	21	**98,716**	46,378
Finance costs	22	**(18,072)**	(26,424)
Profit before tax		**344,651**	302,198
Income tax expense	23	**(60,936)**	(36,264)
Profit for the year		**283,715**	265,934
Other comprehensive income for the year			
Items that will not be reclassified subsequently to profit or loss:			
Revaluation of plant and machinery		**192,500**	-
Total other comprehensive income for the year		**192,500**	-
Total comprehensive income for the year		**476,215**	265,934
Earnings per share [RO/share]	25	**0.283**	0.265

The accompanying notes on pages 7 to 26 form an integral part of these financial statements.

The report of the Auditor is set forth on page 1.

Statement of changes in Shareholders' equity

for the year ended 31 December 2014

	Share capital RO	Legal reserve RO	Special reserve RO	Other components of equity RO	Retained earnings RO	Total RO
At 1 January 2013	**1,000,000**	**114,554**	**10,123**	**-**	**490,434**	**1,615,111**
Net movement	-	-	-	-	-	-
Transactions with the Shareholders	-	-	-	-	-	-
Profit for the year	-	-	-	-	265,934	265,934
Transfer to legal reserve	-	26,593	-	-	(26,593)	-
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	*26,593*	-	-	*239,341*	*265,934*
At 31 December 2013	**1,000,000**	**141,147**	**10,123**	**-**	**729,775**	**1,881,045**
At 1 January 2014	**1,000,000**	**141,147**	**10,123**	**-**	**729,775**	**1,881,045**
Net movement	-	-	-	-	-	-
Transactions with the Shareholders	-	-	-	-	-	-
Profit for the year	-	-	-	-	283,715	283,715
Transfer to legal reserve		28,372	-	-	(28,372)	-
Other comprehensive income for the year	-	-	-	192,500	-	192,500
Transfer to retained earnings	-	-	-	(64,166)	64,166	-
Total comprehensive income for the year	-	*28,372*	-	*128,334*	*319,509*	*476,215*
At 31 December 2014	**1,000,000**	**169,519**	**10,123**	**128,334**	**1,049,284**	**2,357,260**

The accompanying notes on pages 7 to 26 form an integral part of these financial statements.

The report of the Auditor is set forth on page 1.

Statement of cash flows

for the year ended 31 December 2014

	Note	2014 RO	2013 RO
Profit for the year before tax		**344,651**	302,198
Adjustments for:			
Depreciation		**205,155**	217,478
Finance.costs		**18,072**	26,424
Profit on disposals of non-current assets		**(650)**	-
Staff terminal benefits		**29,517**	21,979
Operating profit before working capital changes		**596,745**	568,079
Changes in working capital:			
Inventories		**(39,994)**	(127,099)
Trade receivables and prepayments		**(128,168)**	(35,967)
Trade payables and accruals		**(7,574)**	7,384
Amounts due to a related party		**(6,700)**	-
Cash flow from operations		**414,309**	412,397
Finance costs paid		**(18,072)**	(26,424)
Net cash flow from operating activities		**396,237**	385,973
Cash flows from investing activities:			
Purchases of non-current assets		**(100,995)**	(34,715)
Proceeds from disposals of non-current assets		**650**	-
Net cash used in investing activities		**(100,345)**	(34,715)
Cash flows from financing activities:			
Repayment of the Government soft loans		**(252,972)**	(260,000)
Net cash flow used in financed activities		**(252,972)**	(260,000)
Net increase in cash and cash equivalents		**42,920**	91,258
Cash and cash equivalents at the beginning of the year		**308,058**	216,800
Cash and cash equivalents at the end of the year	8	**350,978**	308,058

The accompanying notes on pages 7 to 26 form an integral part of these financial statements.

The report of the Auditor is set forth on page 1.

1 Nature of operations

Gulf Plastic Industries Co. SAOG (the Company) is primarily engaged in manufacturing of plastic and woven products.

2 General information and statement of compliance with IFRS

The Company is a joint stock company registered in the Sultanate of Oman on 27 November 1996 in accordance with the Commercial Companies Law of the Sultanate of Oman 1974, as amended.

The Company's principal place is located in the Rusayl Industrial Estate. The registered business address of the Company is P.O. Box 55, PC 124 Rusayl, the Sultanate of Oman.

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

3 Change in accounting policies

3.1 New and revised standards that are effective for annual periods beginning on or after 1 January 2014

A number of new and revised standards are effective for annual periods beginning on or after 1 January 2014 Information on these new standards is presented below.

IFRIC 21 Levies

IFRIC 21 clarifies that:

- The obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by the government's legislation. If this activity arises on a specific date within an accounting period then the entire obligation is recognised on that date; and
- The same recognition principles apply in the annual and interim financial statements.

IFRIC 21 has no material effect on the annual financial statements but affects the allocation of the cost of certain property taxes between interim periods. The Company's past practice was to spread the cost of property taxes payable annually over the year, resulting in the recognition of a prepayment at interim reporting dates. The application of IFRIC 21 requires the Company to recognise the entire obligation as an expense at the beginning of the reporting period, which is the date specified in the relevant legislation.

IFRIC 21 has been applied retrospectively in accordance with its transitional provisions and had no material effect on the financial statements for any period presented.

Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)

These amendments clarify the application of certain offsetting criteria in IAS 32, including:

- the meaning of 'currently has a legally enforceable right of set-off'; and
- that some gross settlement mechanisms may be considered equivalent to net settlement.

The amendments have been applied retrospectively in accordance with their transitional provisions. As the Company does not currently present any of its financial assets and financial liabilities on a net basis using the provisions of IAS 32, these amendments had no material effect on the financial statements for any period presented.

Notes

(forming part of the financial statements)

3 Change in accounting policies (continued)

3.1 New and revised standards that are effective for annual periods beginning on or after 1 January 2014 (continued)

Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36)

These amendments clarify that an entity is required to disclose the recoverable amount of an asset (or cash generating unit) whenever an impairment loss has been recognised or reversed in the period. In addition, they introduce several new disclosures required to be made when the recoverable amount of impaired assets is based on fair value less costs of disposal, including:

- additional information about fair value measurement including the applicable level of the fair value hierarchy, and a description of any valuation techniques used and key assumptions made; and
- the discount rates used if fair value less costs of disposal is measured using a present value technique.

The amendments have been applied retrospectively in accordance with their transitional provisions.

3.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the Company.

Management anticipates that all of the pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Company's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Company's financial statements.

IFRS 9 Financial Instruments (2014)

The IASB recently released IFRS 9 *Financial Instruments* (2014), representing the completion of its project to replace IAS 39 *Financial Instruments: Recognition and Measurement.* The new standard introduces extensive changes to IAS 39's guidance on the classification and measurement of financial assets and introduces a new 'expected credit loss' model for the impairment of financial assets. IFRS 9 also provides new guidance on the application of hedge accounting.

The Company's management have yet to assess the impact of IFRS 9 on these financial statements. The new standard is required to be applied for annual reporting periods beginning on or after 1 January 2018.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 presents new requirements for the recognition of revenue, replacing IAS 18 *Revenue*, IAS 11 *Construction Contracts*, and several revenue-related interpretations. The new standard establishes a control-based revenue recognition model and provides additional guidance in many areas not covered in detail under existing IFRSs, including how to account for arrangements with multiple performance obligations, variable pricing, customer refund rights, supplier repurchase options and other common complexities.

IFRS 15 is effective for reporting periods beginning on or after 1 January 2017. The Company's management have not yet assessed the impact of IFRS 15 on these financial statements.

Notes

(forming part of the financial statements)

3 Change in accounting policies (continued)

3.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company (continued)

Amendments to IFRS 11 Joint Arrangements

These amendments provide guidance on the accounting for acquisitions of interests in joint operations constituting a business. The amendments require all such transactions to be accounted for using the principles on business combinations accounting in IFRS 3 *Business Combinations* and other IFRSs except where those principles conflict with IFRS 11. Acquisitions of interests in joint ventures are not impacted by this new guidance.

The Company's only investment made to date in a joint arrangement is characterized as a joint venture in which the Company has rights to a share of the arrangement's net assets rather than direct rights to underlying assets and obligations for underlying liabilities. Accordingly, if adopted today, these amendments would not have a material impact on the financial statements.

The amendments are effective for reporting periods beginning on or after 1 January 2016.

4 Summary of accounting policies

4.1 Overall considerations

The financial statements have been prepared using the measurement bases specified by IFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

The significant accounting policies set out below have been applied consistently by the Company to all periods presented in these financial statements.

4.2 Presentation of financial statements

The Company's financial statements are presented in accordance with IAS 1 *Presentation of Financial Statements (Revised 2007).*

IAS 1 requires two comparative periods to be presented for the statement of financial position in certain circumstances. The Company will only present the second comparative figure when the circumstances arise.

4.3 Foreign currency translation

Functional and presentation currency

The financial statements are presented in the Rial Omani (RO) which is also the functional currency of the Company.

Foreign currency transaction and balances

Foreign currency transactions are translated into the presentation currency of the Company, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items of statement of financial position at year-end exchange rates are recognised in the statement of profit or loss and other comprehensive income under 'other income' or 'other expenses'.

In the Company's financial statements, all items and transactions of the Company with a transaction currency other than the Rial Omani (the Company's presentation currency) were translated into presentation currency. Assets and liabilities have been translated into the Rial Omani at the closing rate at the reporting date.

Notes

(forming part of the financial statements)

4 Summary of accounting policies (continued)

4.4 Revenue recognition

Revenue arises from sale of plastic products and woven sacks.

It is measured by reference to the fair value of consideration received or receivable, excluding sales taxes, rebates, and trade discounts.

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods supplied or the services provided. This is generally when the customer has approved the goods that have been provided or has taken undisputed delivery of goods;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

4.5 Operating expenses

Operating expenses are recognised in the statement of profit and loss and other comprehensive income at the date the expense has occurred based on the accruals concept.

4.6 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand which are subject to an insignificant risk of changes in value.

4.7 Equity and reserves

Share capital is determined using the nominal value of shares that have been issued.

Retained earnings include all current and prior period results as disclosed in the statement of changes in Shareholders' equity.

4.8 Leased assets

Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of profit or loss and other comprehensive income on a straight-line basis over the period of the lease.

4.9 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes all expenses directly attributable to the manufacturing process as well as suitable portions of related production overheads, based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

Notes

(forming part of the financial statements)

4 Summary of accounting policies (continued)

4.10 Income tax

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the consolidated financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the Company's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit.

Deferred tax liabilities are always provided for in full. Deferred tax assets and liabilities are offset only when the Company has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income (such as the revaluation of land) or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

4.11 Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Subsequent measurement of financial assets and financial liabilities are described below.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are receivables.

The category determines subsequent measurement and whether any resulting income and expense is recognised in the statement of profit or loss and other comprehensive income.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

Notes

(forming part of the financial statements)

4 Summary of accounting policies (continued)

4.11 Financial instruments (continued)

Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial.

The Company's cash and cash equivalents and trade receivables and prepayments fall into this category of financial instruments.

Classification and subsequent measurement of financial liabilities

The Company's financial liabilities include trade payables and accruals and amounts due to a related party which are measured at amortised cost.

Financial liabilities are recognised when the Company becomes a party to the contractual agreements of the instrument. All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in the statement of profit or loss and other comprehensive income under its line items 'finance costs' or 'finance income'.

4.12 Property, plant and equipment

Buildings and other equipment

Buildings and other equipment are initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Company. Buildings and other equipment are subsequently measured using the cost model, cost less accumulated depreciation and impairment losses. The estimated useful lives are:

Factory buildings on leasehold land	30 years
Plant and machinery	10-15 years
Office equipment	5 years
Furniture and fixture	5 years
Motor vehicles	4 years

Material residual value estimates are updated as required, but at least annually, whether or not the asset is revalued.

An asset carrying amount is written down immediately to its recoverable amount if the assets carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the assets and are recognised within 'other income' or 'other expenses' in the statement of profit or loss and other comprehensive income.

Notes

(forming part of the financial statements)

4 Summary of accounting policies (continued)

4.12 Property, plant and equipment (continued)

Revaluation of plant and machinery

Plant and machinery are initially stated at cost. During the year management decided to move from cost model to revaluation model for plant and machinery of the cash generating unit identified by management in this particular class of assets. This cash generating unit of the Company was revalued on 19 March 2014. Revaluation amounts have been determined by an external professional valuer at the date of the revaluation.

Any revaluation surplus is recognised in other comprehensive income and credited to the revaluation reserve in other components of equity. To the extent that any revaluation decrease or impairment loss has previously been recognised in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase recognised in other comprehensive income. Downward revaluations of plant and machinery are recognised upon appraisal or impairment testing, with the decrease being charged to other comprehensive income to the extent of any revaluation surplus in equity relating to this asset and any remaining decrease recognised in profit or loss.

An amount equal to the annual additional depreciation charge arsing as a result of the revaluation is released from the revaluation reserve to the retained earnings. Any revaluation surplus remaining in equity on disposal of the asset is transferred to retained earnings.

Capital work in progress

Capital work in progress is stated at cost. These are transferred to specific assets when they are available for use.

4.13 Impairment testing

Property, plant and equipment are subject to impairment testing. For the purpose of assessing impairment, assets are compared at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. The management of the Company has reviewed the assets of the Company and is of the opinion that no impairment has occurred to any of the Company's assets.

Individual assets or cash-generating units with an indefinite useful life or those not yet available for use are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value in use, based on an internal discounted cash flow evaluation. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

Trade receivables are provided against when objective evidence is received that the Company will not be able to collect all amounts due to it in accordance with the original terms of the receivables. The amount of the write-down is determined as the difference between the assets carrying amount and the present value of estimated future cash flows. An impairment loss in respect of receivable is reversed if the subsequent increase in recoverable amount can be related to an event occurring after the impairment loss was recognised

4.14 Employees' terminal benefits

The provision for employees' terminal benefits is based upon the liability accrued in accordance with the terms of employment of the Company's employees at the reporting date, having regard to the requirements of the Oman Labour Law, 2003 and the Social Security Law, 1991.

Notes

(forming part of the financial statements)

4 Summary of accounting policies (continued)

4.14 Employees' terminal benefits (continued)

Government of Oman Social Insurance Scheme (the Scheme)

Rules applicable till 30 June 2014
The Company contributes to the Scheme for all Omani employees. The Scheme, which is a defined contributions retirement plan, is administered by the Government of Oman. The Company and Omani employees are required to make monthly contributions to the Scheme at 10.5% and 6.5% respectively, of basic salaries.

Rules applicable after 1 July 2014
The Company contributes to the Scheme for all Omani employees. The Scheme, which is a defined contributions retirement plan, is administered by the Government of Oman. The Company and Omani employees are required to make monthly contributions to the Scheme at 11.5% and 7% respectively, of gross salaries.

Non-Omani employee terminal benefits
The provision for end of service benefits for non-Omani employees is made in accordance with the requirements of the Oman Labour Law of 2003. Employees are entitled to end of service benefits calculated at the rate of 15 days basic salary for each of the first three years of continuous service and at a rate of 30 days basic salary for each year of continuous service following the first three years. This is an unfunded defined benefits retirement plan. Accrued non-Omani staff terminal benefits are payable on termination of employment.

4.15 Government soft loans

Carrying values
The carrying value of the subsidised Government soft loans is determined as the present value of the loans adopting the interest rates that reflect the current cost of similar borrowings on similar loan terms from a commercial bank. The reported balance of the soft loans comprise their carrying value plus a component of unamortised deferred income that represents the difference between the carrying values and the present value of the loans adopting the interest rates that similar loans attract.

Finance costs
Interest subsidy is recognised in the statement of financial position initially as a deferred Government grant when there is reasonable assurance that it will be received and that the Company will comply with the conditions attached to it. The deferred Government grant is amortised over the life of the loans to which it relates on a systematic basis in the same periods in which the interest expense is incurred. Amortisation of deferred Government grant is recognised within 'finance costs'.

4.16 Operating segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses and whose operating results are regularly reviewed by the Management to make decisions about resources to be allocated to the segment and assess its performance.

The four operating segments of the Company are as follows:

- cups;
- jumbo bags;
- woven sacks; and
- liners

Notes

(forming part of the financial statements)

4 Summary of accounting policies (continued)

4.17 Provisions, contingent liabilities and contingent assets

Provisions are recognised when present obligations will probably lead to an outflow of economic resources from the Company and they can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate of the Company's management.

In those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, no liability is recognised, unless it was assumed in the course of a business combination. These contingent liabilities are recognised in the course of the allocation of purchase price to the assets and liabilities acquired in the business combination. They are subsequently measured at the higher amount of a comparable provision as described above and the amount initially recognised, less any amortisation.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

Probable inflows of economic benefits to the Company that do not yet meet the recognition criteria of an asset are considered contingent assets.

4.18 Significant management judgement in applying accounting policies and estimation uncertainty

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. At 31 December 2014, management assesses that, the useful lives represent the expected utility of the assets to the Company. The carrying amounts are analysed in note 5.

Notes

(forming part of the financial statements)

4 Summary of accounting policies (continued)

4.18 Significant management judgement in applying accounting policies and estimation uncertainty (continued)

Income tax

Uncertainties exist with respect to interpretation of the tax regulations and the amount of timing of future taxable income. Given the wide range of business relationship and nature of existing contractual agreements, differences arising between the actual result and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimate, for possible consequences of the finalisation of the tax assessment of the Company. The amount of such provision is based on various factors, such as experience of previous assessment and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Inventories

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

5 Property, plant and equipment

	Buildings RO	Plant and machinery RO	Office equipment RO	Furniture and fixtures RO	Motor vehicles RO	Capital work in progress RO	Total RO
Cost/Valuation:							
At 1 January 2014	905,071	2,784,847	38,793	56,038	82,748	-	3,867,497
Additions during the year	-	10,470	17,493	14,332	6,250	52,450	100,995
Revaluation	-	192,500	-	-	-	-	192,500
Disposals	-	-	-	-	(4,600)	-	(4,600)
At 31 December 2014	**905,071**	**2,987,817**	**56,286**	**70,370**	**84,398**	**52,450**	**4,156,392**
Depreciation:							
At 1 January 2014	401,206	2,185,481	27,529	46,465	62,089	-	2,722,770
Provided during the year	30,242	154,736	5,419	5,190	9,568	-	205,155
Disposals	-	-	-	-	(4,600)	-	(4,600)
At 31 December 2014	**431,448**	**2,340,217**	**32,948**	**51,655**	**67,057**	**-**	**2,923,325**
Net book value:							
At 31 December 2014	**473,623**	**647,600**	**23,338**	**18,715**	**17,341**	**52,450**	**1,233,067**

The carrying amounts for the comparative year can be shown as follows:

	Buildings RO	Plant and machinery RO	Office equipment RO	Furniture and fixtures RO	Motor vehicles RO	Capital work in progress RO	Total RO
Cost:							
At 1 January 2013	905,071	2,764,672	36,706	52,104	82,173	-	3,840,726
Additions during the year	-	20,175	2,087	3,934	575	-	26,771
At 31 December 2013	905,071	2,784,847	38,793	56,038	82,748	-	3,867,497
Depreciation:							
At 1 January 2013	371,067	2,016,646	23,628	42,488	51,463	-	2,505,292
Provided during the year	30,139	168,835	3,901	3,977	10,626	-	217,478
At 31 December 2013	401,206	2,185,481	27,529	46,465	62,089	-	2,722,770
Net book value:							
At 31 December 2013	503,865	599,366	11,264	9,573	20,659	-	1,144,727

Notes

(forming part of the financial statements)

5 Property, plant and equipment (continued)

At 19 March 2014, plant and machinery was revalued at RO 192,500 based on an open market valuation undertaken by professional valuers. The surplus arising on revaluation amounting to RO 192,500 was transferred to a revaluation reserve in other components of equity. The effect of incremental depreciation amounting to RO 64,166 was transferred during the year to the retained earnings from the revaluation reserve.

The depreciation for the year has been allocated as follows:

	31December 2014 RO	31 December 2013 RO
Depreciation charge to cost of sales	**184,978**	198,974
Depreciation charged to administrative expenses	**20,177**	18,504
	205,155	217,478

Buildings are constructed on three plots of land leased by the Company from the Public Establishment for Industrial Estates. Each plot is leased for a lease period of 25 years. The contracts expire on 31 December 2022 for plot 1, on 24 February 2029 for plot 2 and on 31 August 2030 for plot 3.

Certain plant and machinery have been pledged to the extent of the value of outstanding Government soft loan at the end of the reporting period.

6 Inventories

	31 December 2014 RO	31 December 2013 RO
Raw materials	**485,515**	451,836
Work in progress	**164,558**	143,637
Spare parts	**102,895**	83,709
Finished goods	**37,569**	71,361
	790,537	750,543

7 Trade receivables and prepayments

	31 December 2014 RO	31 December 2013 RO
Trade receivables	**1,094,680**	1,040,621
Less: Allowance for credit losses	**(31,529)**	(31,034)
	1,063,151	1,009,587
Advances to suppliers	**105,346**	30,661
Other receivables and prepayments	**29,635**	29,716
	1,198,132	1,069,964

7.1 Allowance for credit losses

The movement in allowance for credit losses is as follows:

	31 December 2014 RO	31 December 2013 RO
At 1 January	**31,034**	33,649
Created during the year	**495**	10,501
Written back during the year	**-**	(222)
Written off during the year	**-**	(12,894)
	31,529	31,034

8 Cash and cash equivalents

	31 December 2014 RO	31 December 2013 RO
Cash at bank	**274,148**	231,032
Short term deposits	**76,000**	76,000
Cash in hand	**830**	1,026
	350,978	308,058

The short term deposits carry interest rate of 0.5% per annum (2013: 0.5%).

Notes

(forming part of the financial statements)

9 Share capital

	31 December 2014 RO	31 December 2013 RO
1,000,000 fully paid up shares of RO 1 each	**1,000,000**	1,000,000

Major shareholders of the Company holding individually more than 10% as at 31 December 2014 and 2013 and the number of shares they hold are as follows:

	Number of shares	% Holding	RO
Ms. Budoor Mohammed Rashid Al Fannah Al Araimi	**220,000**	**22.00**	**220,000**
Ms. Khulood Mohammed Rashid Al Fannah Al Araimi	**220,000**	**22.00**	**220,000**
Sh. Salem Bin Said Al Fannah Al Araimi	**201,598**	**20.16**	**201,598**
Al Siraj Investment Holding LLC	**196,190**	**19.62**	**196,190**

10 Legal reserve

In accordance with the Commercial Companies Law of Oman, 1974, as amended, annual appropriations of 10% of the profit for the year are made to this reserve until the accumulated balance of the reserve is equal to one-third of the value of the Company's paid-up share capital. This reserve is not available for distribution to the Shareholders. During the year ended RO 28,372 has been transferred to legal reserve as the Company (2013: RO 26,593).

11 Special reserve

This represents the excess of premium collected from shareholders to meet share issue expenses over actual issue expenses incurred. This excess has been recorded as a special reserve in accordance with the Company's Articles of Association.

12 Revaluation reserve

The surplus arising on revaluation of plant and machinery at 17 March 2014 was transferred to a revaluation reserve (note 5). An amount equal to the annual additional depreciation charge arsing as a result of the revaluation is released from the revaluation reserve to the retained earnings. Any revaluation surplus remaining in equity on disposal of the asset is transferred to retained earnings.

13 Government soft loans

	31 December 2014 RO	31 December 2013 RO
Non-current liabilities		
Loan (ii)	-	236,239
Deferred Government grant	-	13,761
Total non-current portion of the Government grant	-	250,000
Current liabilities		
Loan (i)	-	192,972
Loan (ii)	**236,239**	60,000
Deferred Government grant	**13,761**	-
Total current portion of the Government grant	**250,000**	252,972
Total due for the deferred Government grant	**250,000**	502,972

The details of loans are as follows:

a) Loan (i) amounting to RO 1,267,972 was obtained from the Government of the Sultanate of Oman and disbursed by a local commercial bank in the year 1999. Based on the revised repayment schedule approved by the Ministry of Finance in the year 2013, the loan was fully repaid in 2014. The loan carried interest at 3% per annum (2013: 3% per annum), net of subsidy.

Notes

(forming part of the financial statements)

13 Government soft loan (continued)

b) Loan (ii) amounting to RO 700,000 was obtained from the Government of the Sultanate of Oman and disbursed by a local commercial bank in the year 2005. Based on the revised repayment schedule approved by the Ministry of Finance in the year 2013, the loan is repayable in two semi-annual instalments of RO 125,000 in the year 2015. The loan carries interest at 3% per annum (2013: 3% per annum), net of subsidy.

c) The loan is secured against the following:
- a registered mortgage of the Company's plant and machinery in favour of the commercial banks disbursing the soft loans;
- commercial mortgage on other assets;
- the Ministry of Finance guarantee amounting to RO 700,000 for Loan (ii); and
- personal, joint and several guarantees of two Directors.

14 Staff terminal benefits

	31 December 2014 RO	31 December 2013 RO
At 1 January	**138,272**	116,293
Provided during the year	**31,899**	25,090
Paid during the year	**(2,382)**	(3,111)
	167,789	138,272

15 Trade payables and accruals

	31 December 2014 RO	31 December 2013 RO
Trade payables	**541,378**	547,108
Accruals and other payables	**64,475**	50,949
Provision for leave pay and passage	**94,365**	88,126
Advances from customers	**5,275**	26,884
	705,493	713,067

16 Related parties

The Company's related parties include key management personnel and other business entities held under common control as described below. Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received.

16.1 Transactions with key management personnel

Key Management of the Company includes Directors, the General Manager, the Finance Manager, the Production Manager and the Marketing Manager.

Key management personnel remuneration includes the following expenses:

	Year ended 31 December 2014 RO	Year ended 31 December 2013 RO
Short term employment benefits	**97,949**	106,249
Employees' end of service benefits	**12,440**	3,133
Directors' meeting attendance fees (see note below)	**18,750**	13,700
Travel expenses	**3,241**	-
	132,380	123,082

16 Related parties (continued)

16.1 Transactions with key management personnel (continued)

	Year ended 31 December 2014 RO	Year ended 31 December 2013 RO
Transaction with Directors:		
Building rent expenses	**31,350**	6,000

16.2 Transaction with other business entities held under common control

	Year ended 31 December 2014 RO	Year ended 31 December 2013 RO
Purchases and expenses	**12,363**	21,198

	31 December 2014 RO	31 December 2013 RO
Amounts due to a related party		
Oman Packaging Company SAOG	**1,913**	8,613
	1,913	8,613

17 Operating segments

The segment wise performance of the Company can be analysed as follows

	Cups RO	**Jumbo bags RO**	**Woven sacks RO**	**Liners RO**	**Total RO**
Revenue	**963,007**	**3,422,949**	**940,919**	**82,097**	**5,408,972**
Cost of sales	**(847,098)**	**(2,904,099)**	**(865,614)**	**(47,317)**	**(4,664,128)**
Gross profit	**115,909**	**518,850**	**75,305**	**34,780**	**744,844**

	Cups RO	Jumbo bags RO	Woven sacks RO	Liners RO	Total RO
Revenue	1,151,647	3,018,970	1,057,584	63,408	5,291,609
Cost of sales	(996,068)	(2,559,831)	(928,797)	(34,483)	(4,519,179)
Gross profit	155,579	459,139	128,787	28,925	772,430

18 Costs of sales

	Year ended 31 December 2014 RO	Year ended 31 December 2013 RO
Cost of materials consumed	**3,111,167**	3,052,415
Salaries and employee related costs (note 25)	**1,031,206**	939,345
Depreciation (note 5)	**184,978**	198,974
Utilities expenses	**147,525**	156,581
Other operating expenses	**189,252**	171,864
	4,664,128	4,519,179

Notes

(forming part of the financial statements)

19 Administrative expenses

	Year ended 31 December 2014 RO	Year ended 31 December 2013 RO
Salaries and employee related costs (note 25)	**173,228**	178,567
Repairs and maintenance	**44,539**	31,194
Rent expenses	**31,740**	30,160
Depreciation	**20,177**	18,504
Professional and legal fees	**19,799**	11,747
Directors' meeting attendance fees	**18,750**	13,700
Communication expenses	**10,106**	9,919
Vehicle expenses	**5,448**	5,815
Visa and other registration expenses	**4,170**	4,628
Insurance expenses	**3,452**	3,805
Donations	**3,000**	-
Printing and stationery	**2,434**	5,209
Advertisement expenses	**2,047**	2,215
Electricity and water	**1,825**	1,464
Allowance for credit losses	**495**	10,501
Miscellaneous expenses	**4,435**	7,059
	345,645	334,487

20 Selling and distribution expenses

	Year ended 31 December 2014 RO	Year ended 31 December 2013 RO
Freight charges	**111,765**	108,787
Marketing and sales promotion	**23,427**	46,912
	135,192	155,699

21 Other income

	Year ended 31 December 2014 RO	Year ended 31 December 2013 RO
Sale of reusable raw materials	**88,688**	24,024
Foreign exchange gains	**3,903**	8,246
Raw materials sold	**2,611**	3,406
Rental income	**2,250**	5,875
Profit on disposals of non-current assets	**650**	-
Allowance for credit losses written back	**-**	222
Miscellaneous income	**614**	4,605
	98,716	46,378

22 Finance costs

	Year ended 31 December 2014 RO	Year ended 31 December 2013 RO
Amortisation of the deferred Government grant (note 12)	**13,761**	30,032
Interest on Government soft loans	**11,642**	19,404
Bank charges	**6,430**	7,020
	31,833	56,456
Less: Deferred Government grant	**(13,761)**	(30,032)
	18,072	26,424

Notes

(forming part of the financial statements)

23 Income tax

a) Recognised in the statement of profit or loss and other comprehensive income and the statement of financial position

The Company is subject to income tax at the rate of 12% on the taxable income in excess of RO 30,000 in accordance with the Income Tax Law of the Sultanate of Oman (2013: 12%).

	Year ended 31 December 2014 RO	Year ended 31 December 2013 RO
Income tax expense comprises:		
Current year tax expense	**11,409**	-
Deferred tax expense	**49,527**	36,264
	60,936	36,264
Tax liability:		
Tax-current	**11,409**	-
Deferred tax-non-current	**78,850**	29,323
	90,259	29,323

b) Reconciliation of income tax expense

	Year ended 31 December 2014 RO	Year ended 31 December 2013 RO
Profit before tax	**344,651**	302,198
Add:		
Accounting depreciation	**205,155**	217,478
Provision for bad and doubtful debts	**495**	10,501
	550,301	530,177
Deduct:		
Income earned from exempt activities	-	(222)
Tax depreciation	**(78,739)**	(80,006)
Bad debts written off	-	(12,894)
Available tax losses utilised	**(346,490)**	(437,055)
Income exempt from tax	**(30,000)**	-
Taxable income	**95,072**	-
Tax rate	**12%**	12%
Tax expense for the year	**11,409**	-

c) Deferred tax assets/liabilities

Deferred taxes arising from temporary differences is summarised as follows:

Deferred tax liabilities/(assets)	1 January 2014 RO	Recognised in profit and loss RO	Recognised in other comprehensive income RO	31 December 2014 RO
Deferred tax asset:				
Provisions	(3,724)	(59)	-	**(3,783)**
Accumulated losses	(41,579)	41,579	-	-
	(45,303)	41,520	-	**(3,783)**
Deferred tax liability:				
Property, plant and equipment	74,626	8,007	-	**82,633**
	74,626	8,007	-	**82,633**
	29,323	49,527	-	**78,850**

Notes

(forming part of the financial statements)

23 Income tax (continued)

c) Deferred tax assets/liabilities (continued)

Deferred tax liabilities/(assets)	1 January 2013 RO	Recognised in profit and loss RO	Recognised in other comprehensive income RO	31 December 2013 RO
Deferred tax asset:				
Provisions	(4,038)	314	-	(3,724)
Accumulated losses	(94,025)	52,466	-	(41,559)
	(98,063)	52,780	-	(45,283)
Deferred tax liability:				
Property, plant and equipment	91,122	(16,496)	-	74,626
	91,122	(16,496)	-	74,626
	(6,941)	36,264	-	29,323

d) Current status of tax assessments

The Company's tax assessments has been finalised with the Secretariat General for Taxation for all years till 2009. At the end of the reporting date, the Management consider that the amount of additional taxes, if any, that may become payable on finalisation of the unassessed tax years would not be material to the Company's financial position.

24 Net asset per share

Net assets per share are calculated by dividing the net assets at the yearend by the weighted average shares outstanding as at the end of the reporting period which are as follows:

	31 December 2014 RO	31 December 2013 RO
Net assets	**2,357,260**	1,881,045
Number of shares outstanding	**1,000,000**	1,000,000
Net assets per share [RO/share]	**2.357**	1.881

25 Earnings per share

Earnings per share is calculated by dividing the profit for the year attributable to ordinary Shareholders of the Company by the weighted average number of ordinary shares outstanding during the year as follows:

	31 December 2014 RO	31 December 2013 RO
Profit for the year	**283,715**	265,934
Weighted average number of shares outstanding	**1,000,000**	1,000,000
Earnings per share [RO/share]	**0.283**	0.265

26 Employee remuneration expenses

Salaries and employee related costs are allocated between cost of sales and general and administration as follows:

	31 December 2014 RO	31 December 2013 RO
Salaries and related costs charged to cost of sales	**1,031,206**	939,345
Salaries and related costs charged to administrative expenses	**173,228**	178,567
	1,204,434	1,117,912

The breakup of the salaries and related costs are as follows:

	31 December 2014 RO	31 December 2013 RO
Salaries and wages	**931,506**	892,955
Contributions to defined retirement plan for Omani employees	**26,731**	17,102
Cost of end of service benefits for expatriate employees	**31,899**	25,090
Other employee related costs	**214,298**	182,765
	1,204,434	1,117,912

Notes

(forming part of the financial statements)

27 Commitments and contingent liabilities

27.1 Contingent liabilities

At the end of the reporting period, the Company had contingent liabilities in respect of performance bond and bank guarantees entered into in the normal course of business from which it is anticipated that no material liabilities will arise.

	31 December 2014 RO	31 December 2013 RO
Performance bond	**4,928**	4,928
Bid bonds	**4,936**	-
	9,864	4,928

27.2 Commitments

At the end of the reporting period, the Company had following commitments:

	31 December 2014 RO	31 December 2013 RO
Letters of credit	**66,867**	-
Purchase commitments	**283,303**	257,867
Capital commitments	**870,615**	5,909

27.3 Operating lease commitments

The Company has entered into three lease agreements with the Public Establishment for Industrial Estate, Rusayl in respect of the factory land, which are valid until 31 December 2022, 24 February 2029 and 31 August 2030, respectively. At the end of the reporting period, the Company's commitments under these non-cancellable operating leases are as follows:

	31 December 2014 RO	31 December 2013 RO
Not later than 1 year	**10,819**	10,713
Later than 1 year and not later than 5 years	**44,130**	43,277
Later than 5 years	**68,758**	80,486
	123,707	134,476

28 Financial instrument risk

Risk management objectives and policies

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Company is exposed to are described below.

28.1 Market risk analysis

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

The Company does not have any financial instrument which is exposed to market risk.

Foreign currency sensitivity

The Company is exposed to foreign exchange risk arising from various currency exposures primarily related to the US Dollar, the Euro, the Saudi Riyal and the UAE Dirham. The rate of exchange between the Rial Omani and the US Dollar has remained constant since 1986

To mitigate the Company's exposure to foreign currency risk, cash flows are monitored in accordance with the Company's risk management policies.

Notes

(forming part of the financial statements)

28 Financial instrument risk (continued)

28.1 Market risk analysis (continued)

Interest rate sensitivity

The Company is exposed to interest rate risk on its interest bearing assets (bank deposits) and liabilities (the Government soft loans). The interest rate on bank deposits is on fixed rate basis as disclosed in note of the financial statements. The interest rate on the Government soft loans is at fixed subsidised rate as disclosed in note 12 to the financial statements. Accordingly the Management believes there is no significant interest rate risk.

28.2 Credit risk analysis

The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised as at 31 December 2014, as summarised below:

	31 December 2014 RO	31 December 2013 RO
Trade receivables	**1,094,680**	1,040,621
Allowances for credit losses	**(31,529)**	(31,034)
Other receivables and prepayments	**29,635**	29,716
Advances to suppliers	**105,346**	30,661
Cash and cash equivalents	**350,978**	308,058
	1,549,110	1,378,022

	31 December 2014 RO	31 December 2013 RO
Neither past due nor impaired	**972,390**	899,105
Past due not impaired	**90,761**	110,482
Past due and impaired	**31,529**	31,034
	1,094,680	1,040,621

28.3 Liquidity risk analysis

Liquidity risk also referred to as funding risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company's maximum exposure to liquidity risks is limited to the carrying amount of financial liabilities recognised at the reporting date, as summarised below:

	31 December 2014 RO	31 December 2013 RO
Trade payables and accruals	**705,493**	713,067
Amounts due to a related party	**1,913**	8,613
Government soft loans	**250,000**	502,972
Staff terminal benefits	**167,789**	138,272
	1,125,195	1,362,924

As at 31 December 2014, the Company's liabilities have contractual maturities as summarised below:

	Less than 6 months RO	6 to 12 months RO	More than 1 year RO	Total RO
Trade payables	**541,378**	-	-	**541,378**
Accruals and other payables	**64,475**	-	-	**64,475**
Provision for leave pay and passage	**94,365**	-	-	**94,365**
Advances from customers	**5,275**	-	-	**5,275**
Amounts due to a related party	**1,913**	-	-	**1,913**
Government soft loans	**125,000**	125,000	-	**250,000**
Staff terminal benefits	-	-	167,789	**167,789**
	832,406	**125,000**	**167,789**	**1,125,195**

Notes

(forming part of the financial statements)

28 Financial instrument risk (continued)

28.3 Liquidity risk analysis (continued)

The figures for the comparative period are as follows:

	Less than 6 months RO	6 to 12 months RO	More than 1 year RO	Total RO
Trade payables	547,108	-	-	547,108
Accruals and other payables	50,949	-	-	50,949
Provision for leave pay and passage	88,126	-	-	88,126
Advances from customers	26,884	-	-	26,884
Government soft loans	126,486	126,486	250,000	502,972
Staff terminal benefits	-	-	167,789	167,789
	839,553	126,486	417,789	1,383,828

29 Capital management policies and procedures

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern; and
- to provide an adequate return to the Shareholders by pricing services commensurately with the level of risk.

30 Post-reporting date events

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

31 Comparative figures

The comparative figures have been regrouped to conform to current year's financial statements presentation. Such reclassification does not affect previously reported loss, net assets or Shareholders' equity.