

# GALFAR ENGINEERING AND CONTRACTING SAOG AND SUBSIDIARY

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## Notes to the financial statements for the year ended 31 December 2008 (continued)

### Balance Sheet at 31 December 2008

|  | Notes | Parent Company<br>2008<br>RO | 2007<br>RO         | Consolidated<br>2008<br>RO | 2007<br>RO         |
|--|-------|------------------------------|--------------------|----------------------------|--------------------|
| <b>ASSETS</b>  |       |                              |                    |                            |                    |
| <b>Non-current assets</b>  |       |                              |                    |                            |                    |
| Property, plant and equipment                                      | 4     | 126,933,280                  | 97,620,702         | 130,061,397                | 100,607,082        |
| Goodwill   | 5     | -                            | -                  | 275,006                    | 275,006            |
| Investment in subsidiary   | 5     | 600,000                      | 600,000            | -                          | -                  |
| Available-for-sale investments                                     | 6     | 125,000                      | 125,000            | 145,000                    | 145,000            |
| Retentions receivable  |       | 15,992,660                   | 11,668,153         | 15,992,660                 | 11,668,153         |
| <b>Total non-current assets</b>                                    |       | <b>143,650,940</b>           | <b>110,013,855</b> | <b>146,474,063</b>         | <b>112,695,241</b> |
| <b>Current assets</b>  |       |                              |                    |                            |                    |
| Inventories  | 7     | 46,215,858                   | 21,697,900         | 46,295,137                 | 21,761,600         |
| Trade receivables  | 8     | 149,694,364                  | 95,970,903         | 150,486,592                | 96,385,668         |
| Prepayments, advances and other receivables                        | 9     | 13,540,427                   | 8,641,818          | 13,588,468                 | 9,029,994          |
| Deposits with banks  | 10    | 12,414,543                   | 13,803,296         | 12,417,183                 | 13,810,936         |
| Cash and bank balances   | 11    | 1,880,460                    | 3,829,507          | 1,884,433                  | 3,832,945          |
| <b>Total current assets</b>  |       | <b>223,745,652</b>           | <b>143,943,424</b> | <b>224,671,813</b>         | <b>144,821,143</b> |
| <b>Total assets</b>  |       | <b>367,396,592</b>           | <b>253,957,279</b> | <b>371,145,876</b>         | <b>257,516,384</b> |
| <b>EQUITY AND LIABILITIES</b>                                      |       |                              |                    |                            |                    |
| <b>Capital and reserves</b>  |       |                              |                    |                            |                    |
| Share capital  | 12    | 25,000,000                   | 25,000,000         | 25,000,000                 | 25,000,000         |
| Share premium  | 12    | 19,169,509                   | 19,169,509         | 19,169,509                 | 19,169,509         |
| Statutory reserve  | 14    | 8,333,333                    | 6,223,577          | 8,333,333                  | 6,223,577          |
| Retained earnings  | 15    | 30,358,004                   | 19,768,620         | 30,826,294                 | 20,023,091         |
| <b>Equity attributable to equity holders of the parent company</b> |       | <b>82,860,846</b>            | <b>70,161,706</b>  | <b>83,329,136</b>          | <b>70,416,177</b>  |
| Minority interest  |       | -                            | -                  | 727,292                    | 531,261            |
| <b>Total equity</b>  |       | <b>82,860,846</b>            | <b>70,161,706</b>  | <b>84,056,428</b>          | <b>70,947,438</b>  |
| <b>Non-current liabilities</b>                                     |       |                              |                    |                            |                    |
| Term loans   | 16    | 32,411,293                   | 19,172,794         | 32,411,293                 | 19,955,756         |
| Provision for employees' end of service indemnity                  | 17    | 5,084,380                    | 3,825,795          | 5,181,698                  | 3,905,198          |
| Deferred tax liability   | 21    | 6,410,958                    | 4,198,667          | 6,526,584                  | 4,314,293          |
| Creditors for purchase of property, plant and equipment            |       | 5,834,341                    | 10,419,223         | 5,834,341                  | 10,419,223         |
| Advances on contracts  |       | 24,184,407                   | 5,408,983          | 24,184,407                 | 5,408,983          |
| <b>Total non-current liabilities</b>                               |       | <b>73,925,379</b>            | <b>43,025,462</b>  | <b>74,138,323</b>          | <b>44,003,453</b>  |
| <b>Current liabilities</b>   |       |                              |                    |                            |                    |
| Bank borrowings  | 18    | 38,821,410                   | 14,203,879         | 38,874,491                 | 14,288,312         |
| Short term loans   | 19    | 17,671,692                   | 4,200,000          | 17,671,692                 | 4,200,000          |
| Term loans – current portion                                       | 16    | 18,596,977                   | 16,181,439         | 18,596,977                 | 16,682,796         |
| Trade and other payables   | 20    | 134,642,145                  | 104,663,356        | 136,929,822                | 105,872,948        |
| Provision for taxation   |       | 878,143                      | 1,521,437          | 878,143                    | 1,521,437          |
| <b>Total current liabilities</b>                                   |       | <b>210,610,367</b>           | <b>140,770,111</b> | <b>212,951,125</b>         | <b>142,565,493</b> |
| <b>Total liabilities</b>   |       | <b>284,535,746</b>           | <b>183,795,573</b> | <b>287,089,448</b>         | <b>186,568,946</b> |
| <b>Total equity and liabilities</b>                                |       | <b>367,396,592</b>           | <b>253,957,279</b> | <b>371,145,876</b>         | <b>257,516,384</b> |
| <b>Net assets per share</b>  | 28    | <b>0.331</b>                 | 0.281              | <b>0.333</b>               | 0.282              |

Salim Said Al Fannah Al Araimi  
Chairman

S. Muthukrishnan  
Chief Financial Officer

The accompanying notes form an integral part of these financial statements.