

Galfar Engineering and Contracting SAOG and Subsidiary

CASH FLOW STATEMENTS

Year ended 31 December 2009

	<i>Parent company</i> 2009 RO	2008 RO	<i>Consolidated</i> 2009 RO	2008 RO
OPERATING ACTIVITIES				
Profit for the year before tax	4,621,385	25,789,574	4,608,685	26,199,424
Adjustments for:				
Depreciation of property, plant and equipment	22,136,893	17,571,398	22,837,017	18,171,281
Gain on disposal of property, plant and equipment	(62,997)	(398,540)	(124,638)	(398,540)
Net transfer to employees' end of service indemnity	966,489	1,258,585	965,568	1,276,500
Provision for impaired debt	-	-	-	-
Provision for slow moving	-	-	4,052	-
Finance costs	4,719,288	3,980,245	4,888,948	4,095,877
Interest income	(585,396)	(118,157)	(585,396)	(118,157)
Operating profit before changes in working capital	31,795,662	48,083,105	32,594,236	49,226,385
Changes in working capital:				
Trade receivables	(17,531,917)	(52,949,511)	(17,106,495)	(54,100,924)
Prepayments, advances and other receivables	1,896,108	(4,219,077)	1,468,394	(3,098,590)
Inventories	23,030,636	(24,517,958)	23,037,501	(24,533,537)
Trade and other payables	24,914,040	29,978,789	23,132,021	31,056,873
Net cash generated from operations	64,104,529	(3,624,652)	63,125,657	(1,449,793)
Change in retentions receivable-long term	(9,307,179)	(4,324,137)	(9,307,179)	(4,324,507)
Change in advances on contracts-long term	(14,399,347)	18,775,424	(14,399,347)	18,775,424
Changes in creditors for property plant and equipment	(1,925,253)	(4,584,882)	(1,842,236)	(4,584,882)
Change in margin deposits	-	94,767	-	99,766
Income tax paid	(878,143)	(1,521,437)	(878,143)	(1,521,437)
Advance tax paid	-	(1,453,853)	-	(1,459,883)
Net cash from operating activities	37,594,607	3,361,230	36,698,752	5,534,688
INVESTING ACTIVITIES				
Payments for purchase of property, plant and Equipment	(27,791,851)	(47,752,771)	(28,775,188)	(48,863,333)
Proceeds from sale of property, plant and equipment	1,647,982	1,267,335	1,722,497	1,636,277
Change in term deposits	9,658,177	1,293,987	9,658,177	1,293,987
Interest received	585,396	118,157	585,396	118,157
Investment in Associates	(1,215,073)	-	(1,066,573)	-
Net cash used in investing activities	(17,115,369)	(45,073,292)	(17,875,691)	(45,814,912)
FINANCING ACTIVITIES				
Share capital raised	-	-	-	-
Change in bank borrowings	(15,942,531)	24,617,531	(15,912,057)	24,586,179
Change in term loans	118,367	15,654,037	2,062,745	14,369,718
Change in short term loans	4,828,228	13,471,692	4,828,228	13,471,692
Interest paid	(4,719,288)	(3,980,245)	(4,888,948)	(4,095,877)
Dividend paid	(5,000,000)	(10,000,000)	(5,000,000)	(10,000,000)
Net cash used in financing activities	(20,715,225)	39,763,015	(18,910,033)	38,331,712
NET CHANGE IN CASH AND CASH EQUIVALENTS	(235,987)	(1,949,047)	(86,972)	(1,948,512)
Cash and cash equivalents, at the beginning of the year	1,880,460	3,829,507	1,884,433	3,832,945
CASH AND CASH EQUIVALENTS, AT THE END OF THE YEAR	1,644,473	1,880,460	1,797,461	1,884,433

The attached notes 1 to 38 form part of these consolidated financial statements.