

# Galfar Engineering and Contracting SAOG and its Subsidiaries

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2012

		<i>Parent Company</i>		<i>Consolidated</i>	
		<i>2012</i>	<i>2011</i>	<i>2012</i>	<i>2011</i>
	<i>Notes</i>	<i>RO 000</i>	<i>RO 000</i>	<i>RO 000</i>	<i>RO 000</i>
<b>Operating activities</b>					
Profit before tax		10,967	6,470	11,389	6,263
Adjustments for:					
Depreciation on property, plant and equipment	4	22,214	22,911	22,824	23,731
Gain on disposal of property, plant and equipment	29	(1,840)	(767)	(1,888)	(850)
Accrual for employees' end of service benefits	20	2,106	1,940	2,167	1,951
Finance costs	28	7,184	6,728	7,912	6,879
Finance income	28	(68)	(93)	(83)	(101)
Share of loss of associates	6	-	-	1,436	665
		<u>40,563</u>	<u>37,189</u>	<u>43,757</u>	<u>38,538</u>
Changes in working capital:					
Inventories		(3,744)	(4,754)	(3,788)	(4,850)
Trade receivables and work in progress		(24,749)	17,470	(28,419)	17,424
Prepayments, advances and other receivables		(3,641)	(2,159)	(156)	(1,956)
Trade and other payables		308	(41,967)	5,000	(41,832)
Retention receivables - long term		(5,499)	(345)	(5,499)	(345)
Other payables		9,578	8,488	9,578	8,488
Cash flows from operating activities		<u>12,816</u>	<u>13,922</u>	<u>20,473</u>	<u>15,467</u>
Income tax paid	24	(1,165)	-	(2,290)	-
Payment of employees' end of service benefits	20	(902)	(1,695)	(938)	(1,700)
Net cash flows from operating activities		<u>10,749</u>	<u>12,227</u>	<u>17,245</u>	<u>13,767</u>
<b>INVESTING ACTIVITIES</b>					
Payments for purchase of property, plant and equipment	4	(27,234)	(15,938)	(31,654)	(17,614)
Proceeds from sale of property, plant and equipment		7,687	2,459	8,013	2,635
Investment in associates and subsidiaries		(113)	(611)	(2,512)	(2,148)
Change in term deposits		(11,621)	1,235	(11,624)	1,342
Interest received		68	93	83	101
Cash used in investing activities		<u>(31,213)</u>	<u>(12,762)</u>	<u>(37,694)</u>	<u>(15,684)</u>
<b>FINANCING ACTIVITIES</b>					
Bank borrowings		12,171	(1,554)	14,679	(425)
Term loans and finance lease liability		9,422	4,829	8,951	5,321
Short term loans		9,800	7,850	9,800	7,850
Interest paid		(7,184)	(6,728)	(7,912)	(6,879)
Dividends paid	16	(3,960)	(3,300)	(3,960)	(3,300)
Cash flows from financing activities		<u>20,249</u>	<u>1,097</u>	<u>21,558</u>	<u>2,567</u>
<b>(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(215)</b>	<b>562</b>	<b>1,109</b>	<b>650</b>
Cash and cash equivalents at the beginning of the year		<u>1,951</u>	<u>1,389</u>	<u>2,359</u>	<u>1,709</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>13</b>	<u><b>1,736</b></u>	<u><b>1,951</b></u>	<u><b>3,468</b></u>	<u><b>2,359</b></u>

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