

Galfar Engineering and Contracting SAOG and its Subsidiaries
CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2011

	<i>Notes</i>	<i>Parent Company</i>		<i>Consolidated</i>	
		<i>2011</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>
		<i>RO 000</i>	<i>RO 000</i>	<i>RO 000</i>	<i>RO 000</i>
Operating activities					
Profit before tax		6,470	5,163	6,263	7,347
Adjustments for:					
Depreciation on property, plant and equipment	4	22,911	23,281	23,731	24,193
Gain on disposal of property, plant and equipment	29	(767)	(89)	(850)	(168)
Provision for employees' end of service benefits	20	1,940	2,414	1,951	2,424
Finance costs	28	6,728	6,697	6,879	5,266
Interest income	28	(93)	(49)	(101)	(59)
Share of loss of associates	6	-	-	665	-
Operating profit before changes in working capital		37,189	37,417	38,538	39,003
Changes in working capital:					
Inventories		(4,754)	(910)	(4,850)	(945)
Trade receivables and work in progress		17,470	(58,993)	17,424	(61,893)
Prepayments, advances and other receivables		(2,159)	(3,430)	(1,956)	(2,591)
Trade and other payables		(40,932)	22,782	(40,773)	25,337
Retention receivables - long term		(345)	8,895	(345)	8,895
Advances on contract's long term		8,488	4,209	8,488	4,209
Creditors for property, plant and equipment		(1,035)	(2,176)	(1,059)	(2,235)
Net cash from operations		13,922	7,794	15,467	9,780
Payment of employees' end of service benefits	20	(1,695)	(1,256)	(1,700)	(1,263)
Net cash flows from operating activities		12,227	6,538	13,767	8,517
INVESTING ACTIVITIES					
Payments for purchase of property, plant and equipment	4	(15,938)	(10,104)	(17,614)	(12,594)
Proceeds from sale of property, plant and equipment		2,459	889	2,635	971
Investment in associates and subsidiaries		(611)	(7,284)	(2,148)	(7,276)
Change in term deposits		1,235	511	1,342	366
Interest received		93	49	101	59
Net cash used in investing activities		(12,762)	(15,939)	(15,684)	(18,474)
FINANCING ACTIVITIES					
Bank borrowings		(1,554)	24,599	(425)	24,687
Term loans and finance lease liability		4,829	(1,256)	5,321	(2,052)
Short term loans		7,850	(4,500)	7,850	(4,500)
Interest paid		(6,728)	(6,697)	(6,879)	(5,266)
Dividend paid	16	(3,300)	(3,000)	(3,300)	(3,000)
Net cash flows from financing activities		1,097	9,146	2,567	9,869
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		562	(255)	650	(88)
Cash and cash equivalents at the beginning of the year		1,389	1,644	1,709	1,797
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	13	1,951	1,389	2,359	1,709

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