1 ACTIVITIES

Al Anwar Holdings SAOG (the "Parent Company") is an Omani joint stock company incorporated on 20 December 1994 and registered in the Sultanate of Oman. The business activities of Parent Company and its subsidiary companies (together referred to as the "Group") include promotion of and participation in a variety of ventures in the financial services and industrial sector in the Sultanate of Oman. The parent company's shares are listed on Muscat Securities Exchange. The address of the parent company is PO Box 468, Al Hamriya, Muscat, Sultanate of Oman.

2 SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been consistently applied in dealing with items considered material to the consolidated and Parent Company financial statements.

2.1 Statement of compliance and basis of preparation

The consolidated and Parent Company financial statements have been prepared in accordance with International Financial Reporting Standards, the requirements of the Commercial Companies Law of the Sultanate of Oman, 1974 (as amended) and the rules for disclosure requirements prescribed by the Capital Market Authority ("CMA").

The financial statements have been prepared under the historical cost convention, except that investments at fair value through profit or loss, investments available for sale and investment properties are stated at their fair values.

The consolidated and Parent Company financial statements are presented in Rial Omani ("RO"), which the Board of Directors believes is the functional currency of the Parent Company. All financial information presented in RO has been rounded to the nearest thousand unless otherwise stated.

The financial statements for the year ended 31 March 2015 comprise the Parent Company and its subsidiaries (together "the Group") and the Group's interest in an associate. The separate financial statements represent the financial statements of the Parent Company on a standalone basis. The consolidated and separate financial statements are collectively referred to as "the financial statements".

2.2 Consolidation

2.2.1 Basis of consolidation

The consolidated financial statements comprise those of Al Anwar Holdings SAOG and its subsidiaries as at 31 March each year. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

When the group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The group's voting rights and potential voting rights.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Consolidation (continued)

2.2.1 Basis of consolidation (continued)

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the group loses control over a subsidiary, it:

- derecognises the assets (including goodwill) and liabilities of the subsidiary
- derecognises the carrying amount of any non-controlling interests
- derecognises the cumulative translation differences recorded in equity
- recognises the fair value of the consideration received
- recognises the fair value of any investment retained
- recognises any surplus or deficit in profit or loss
- reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the group had directly disposed of the related assets or liabilities.

The Parent Company and consolidated financial statements comprise those of Al Anwar Holdings SAOG drawn upto 31 March and its subsidiaries drawn up the prior 31 December each year using consistent accounting policies. Adjustments are made for the effects of any significant transactions or other events, if any that occur in the subsidiaries between 31 December and 31 March of the next year.

2.2.2 Transactions with non-controlling interests

The group treats transactions with non-controlling interests as transactions with equity owners of the group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Changes in accounting policies and disclosures

2.3.1 New and amended standards and interpretations to IFRS relevant to the Group

For the year ended 31 March 2015, the Group has adopted all of the new and revised standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for periods beginning on 1 March 2014.

- Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)
- Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32
- Novation of Derivatives and Continuation of Hedge Accounting – Amendments to IAS 39
- IFRIC 21 Levies
- Annual Improvements 2010-2012 Cycle
- Annual Improvements 2011-2013 Cycle

The adoption of these standards and interpretations has not resulted in significant changes to the Group's accounting policies and has not affected the amounts reported for the current and prior periods.

2.3.2 Standards issued but not yet effective

The following new standards and amendments have been issued by the International Accounting Standards Board (IASB) but are not yet mandatory for the year ended 31 March 2015:

- IFRS 9, Financial Instruments - Hedge accounting: effective for annual periods commencing 1 January 2015;
- IFRS 15, Revenue from Contracts with Customers: effective for annual periods commencing 1 January 2017;
- IFRS 14 Regulatory Deferral Accounts
- Amendments to IAS 19 Defined Benefit Plans: Employee Contributions
- Annual improvements 2010-2012 Cycle
- Amendments to IFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests
- Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants
- Amendments to IAS 27: Equity Method in Separate Financial Statements

IFRS 9 Financial Instruments
In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before 1 February 2015. The Group is currently assessing the impact of IFRS 9 and plans to adopt the new standard on the required effective date.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 Revenue from Contracts with Customers IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognising revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2017 with early adoption permitted. The Group is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3.2 Standards issued but not yet effective (continued)

Other IASB Standards and Interpretations that have been issued but are not yet mandatory, and have not been early adopted by the Group, are not expected to have a material impact on the Group's consolidated financial statements.

2.4 Investments

Subsidiary

A subsidiary is a company in which the Group owns more than one half of the voting power or exercises control. In the Parent Company's separate financial statements, the investment in the subsidiary is carried at cost less impairment.

Investment in associates

The Group's investment in its associates is accounted for under the equity method of accounting in the consolidated financial statements. An associate is an entity in which the Group has significant influence and which is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

In the Parent Company's separate financial statements, the investment in the associate is carried at cost less impairment.

Under the equity method, the investment in the associate is carried in the statement of financial position at cost plus post- acquisition changes in the Group's share of net assets of the associate.

Goodwill relating to an associate is included in the carrying amount of the investment. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associate. The statement of comprehensive income reflects the share of the results of operations of the associate. Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes and discloses this, when applicable, in the statement of changes in equity. Profits and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The associates' accounting policies conform to those used by the Group for like transactions and events in similar circumstances. The consolidated financial statements comprise those of Al Anwar Holdings SAOG drawn upto 31 March and its associates drawn up to 31 December each year using consistent accounting policies. Adjustments are made for the effects of significant transactions or other events, if any, that occur in the associates between 31 December and 31 March of the next year.

Investments held to maturity

Held to maturity financial assets are non-derivative assets with fixed or determinable payments and fixed maturity that the Group has the positive intent and ability to hold to maturity and which are not designated at fair value through profit or loss or available-for-sale.

These are initially recognised at fair value including direct and incremental transaction costs and measured subsequently at amortised cost, using the effective interest method.

Interest on held to maturity investments is included in the consolidated statement of comprehensive income and reported as 'interest income'. In the case of impairment, the impairment loss is been reported as a deduction from the carrying value of the investment and recognised in the consolidated statement of comprehensive income as 'impairment for investments'. Held to maturity investments are corporate bonds and treasury bills.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Investments (continued)

Investments carried at fair value through profit or loss

Financial assets and financial liabilities classified in this category are those that have been designated by management upon initial recognition. Management may only designate an instrument at fair value through profit or loss upon initial recognition when the following criteria are met, and designation is determined on an instrument-by-instrument basis:

i) The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis.

ii) The assets and liabilities are part of a group of financial assets, financial liabilities or both, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.

iii) The financial instrument contains one or more embedded derivatives, which significantly modify the cash flows that would otherwise be required by the contract.

Financial assets and financial liabilities at fair value through profit or loss are recorded in the statement of financial position at fair value. Changes in fair value are recorded in other operating income. Interest earned or incurred is accrued in interest income or interest expense, respectively, using the EIR, while dividend income is recorded in other operating income when the right to the payment has been established.

Available for sale

Available-for-sale investments include equity and debt securities. Equity investments classified as available-for-sale are those which are neither classified as held-for-trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial measurement, available-for-sale financial investments are subsequently measured at fair value, unless fair value cannot be reliably determined in which case they are measured at cost less impairment. Fair value changes are reported as a separate component of equity until the investment is derecognised or the investment is determined to be impaired. On derecognition or impairment, the cumulative gain or loss previously reported as "fair value reserve" within equity, is included in the statement of comprehensive income for the period. Dividends earned whilst holding available-for-sale financial investments are recognised in the statement of comprehensive income as 'Investment income' when the right of the payment has been established. The losses arising from impairment of such investments are recognised in the statement of comprehensive income and removed from the 'fair value reserve'.

Fair value measurement

A number of the group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on a number of accounting policies and methods. Where applicable, information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Investments (continued)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At each reporting date, the Group analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the Group verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Group also compares each the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Dividend income

Dividend income from investments is accounted when the right to receive payment is established.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Investments (continued)

Gain on disposal of investments

Gain on disposal of investments is determined by the difference between sales proceeds and cost or carrying value and is credited to the statement of comprehensive income.

Interest income

Interest income is recognised as the interest accrues using the effective interest method.

2.5 Intangible assets

Intangible assets comprise goodwill, value of customer portfolio and license acquired. In accordance with IAS 38 'Intangible assets', the Board of Directors have reviewed the amortisation periods for intangible assets other than goodwill, and have estimated a useful life of 10 years for customer portfolio and an indefinite life for value of license acquired up to 31 December 2008. During 2009, the useful economic life of the license was revised to only 7 years.

Goodwill

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest, over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed off, the goodwill associated with the operation disposed off is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

2.6 Leases

Operating lease payments are recognised in the statement of comprehensive income on a straight line basis.

2.7 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Subsequent expenditure is capitalised only when it is probable that it will result in increased future economic benefits. All other expenditure is recognised in the statement of comprehensive income as an expense as incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Property, plant and equipment (continued)

Depreciation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful economic lives of items of property, plant and equipment. The estimated useful lives are as follows:

	Years
Buildings on leasehold land	20
Plant, machinery and equipment	4-15
Motor vehicles	3-5
Furniture and fixtures	3-8

Capital work in progress is not depreciated

2.8 Investment properties

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day to day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the statement of comprehensive income in the period in which they arise

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of comprehensive income in the period of derecognition.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

2.9 Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. Cost of raw materials is based on the weighted average cost method and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Work in progress and finished goods includes material costs and, where applicable, an appropriate share of overheads based on normal operating capacity.

2.10 Accounts and other receivables

Accounts receivable originated by the Group, are measured at cost. Bad debts are written off or provided for as they arise and provision is made for doubtful receivables.

2.11 Cash and cash equivalents

For the purpose of cash and cash equivalents, cash flows statement consists of cash and bank balances with maturity of three months from the reporting date.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 Derecognition of financial assets and financial liabilities

Financial assets:
A financial asset (or, where applicable a part of a financial asset or part of a Group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and
- Either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, a new asset is recognised to the extent of the Group's continuing involvement in the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset, is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

When continuing involvement takes the form of a written and/or purchased option (including a cash settled option or similar provision) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase, except that in the case of a written put option (including a cash settled option or similar provision) on an asset measured at fair value, the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Financial liabilities:
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in statement of comprehensive income.

2.13 Impairment

Financial assets

At each reporting date, the Group's management assesses if there is any objective evidence indicating impairment of the carrying value of financial assets or non-collectability of receivables.

Impairment losses are determined as differences between the carrying amounts and the recoverable amounts and are recognised in the statement of comprehensive income. Any reversal of impairment losses (other than available for sale and goodwill) are recognised as income in the statement of comprehensive income. The recoverable amounts represent the present value of expected future cash flows discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Impairment (continued)

Non financial assets

At each reporting date, the Group assesses if there is any indication of impairment of non-financial assets. If an indication exists, the Group's management estimates the recoverable amount of the asset and recognises an impairment loss in the statement of comprehensive income. Other than for goodwill, the Group's management also assesses if there is any indication that an impairment loss recognised in prior years no longer exists or has reduced. The resultant impairment loss or reversals are recognised immediately in the statement of comprehensive income. The recoverable amount adopted is the higher of net realisable value or market value and its value in use.

2.14 Employees' end of service benefits

Payment is made to Omani Government's Social Security Scheme in accordance with the Royal Decree Number 72/91 (as amended) for Omani employees. Provision is made for amounts payable under the Sultanate of Oman's labour law in accordance with Royal Decree number 35/2003 (as amended) applicable to expatriate employees' accumulated periods of service at the reporting date.

2.15 Provisions

A provision is recognised in the financial position when the Group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

2.16 Trade and other payable

Liabilities are recognised for amounts to be paid for goods and service received, whether or not billed to the Group.

2.17 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the statement of financial position date. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using EIR.

Term loans are carried on the statement of financial position at their principal amount. Instalments due within one year are shown as a current liability. Interest is charged as an expense as it accrues, with unpaid amounts included in trade and other payables.

Short-term loans are carried on the statement of financial position at their principal amount. Interest is charged as an expense as it accrues, with unpaid amounts included in trade and other payables.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 Operating income

Operating income represents the invoice value of goods sold during the year, net of discounts and returns, and is recognised in the statement of comprehensive income, when the significant risks and rewards of ownership have been transferred to the buyer.

2.19 Rental income

Rental income is accounted for on a time proportion basis over the period of the related agreements.

2.20 Finance charges

Finance charges comprise interest payable on term loans and bank borrowings, interest subsidy, and are net of interest receivable on bank deposits. Finance charges are recognised as an expense in the statement of comprehensive income in the period in which they are incurred.

2.21 Taxation

Current income tax
Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. Taxation is provided based on Omani Tax Law.

Deferred tax
Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on laws that have been enacted at the reporting date.

Deferred income tax assets are recognised for all deductible temporary differences and carry-forward of unused tax assets and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax assets and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Income tax relating to items recognised directly in other comprehensive income are recognised as other comprehensive income items.

2.22 Foreign currencies

Foreign currency transactions are translated into Omani Rials at the exchange rate prevailing on the transaction date. Foreign currency monetary assets and liabilities at the reporting date are translated at the rates of exchange prevailing at that date. Exchange differences that arise are recognised in the statement of comprehensive income. The functional currency of the parent company, subsidiaries and associates is Rial Omani.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.23 Operating segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components.

All operating segments' operating results are reviewed regularly by the Executive Committee to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

2.24 Dividend

The Board of Directors takes into account appropriate parameters including the requirements of the Commercial Companies Law while recommending the dividend.

Dividend distribution to the Parent Company's shareholders is recognised as a liability in the Group's and Parent Company's financial statements in the period in which the dividend is declared.

2.25 Directors' remuneration and meeting attendance fees

The Company follows the Commercial Companies Law 1974 (as amended), and other latest relevant directives issued by CMA, in regard to determination of the amount to be paid as Directors remuneration and sitting fee are charged to the statement of comprehensive income in the year to which they relate.

2.26 Earnings and net assets per share

The Group presents earnings per share (EPS) and net assets per share data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period.

Net assets per share is calculated by dividing the net assets attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period.

2.27 Insurance operations

(i) Gross premiums
Premium on insurance contracts are recognised as revenue (earned premiums) proportionally over the period of coverage.

Reserve for unexpired risks / Unearned premium reserve

The reserve for unexpired risk represents the estimated portion of net premium income after deduction of the reinsurance share which relates to periods of insurance subsequent to the statement of reporting date

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.27 Insurance operations (continued)

The reserve is calculated in accordance with the Insurance Companies Law of the Sultanate of Oman at 45% of the net retained premium for the year, for all classes of general business. Additionally, the shortfall if any in the unearned premiums, as calculated by applying the 1/24th method calculation to monthly net retained premiums on a pro-rata basis over the period of cover of the respective policies, over the legal requirements, is provided in addition to unearned premium reserve under the 45% method. The reserve for unexpired risks for life business is created on the basis of actuarial valuation performed on an annual basis.

(ii) Commission earned and paid

Commissions earned and paid are recognised at the time policies are written.

(iii) Provision for outstanding claims

Provision for outstanding claims is recognised at the date the claims are known and covers the liability for loss and loss adjustment expenses based on loss reports from independent loss adjusters and management best estimate.

(iv) Insurance and other receivable balances

Insurance and other receivable are stated net of provision for impairment receivables.

(v) Reinsurer's share of claims

Contracts entered into by the Group with reinsurers under which the Group is compensated for losses on one or more insurance contracts issued by the Group are classified as reinsurance contracts held by the Group. The benefits to which the Group is entitled under its reinsurance contracts held are recognised as reinsurance assets. These assets consist of short-term balances due from reinsurers. Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and in accordance with the terms of each reinsurance contract. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense when due.

2.28 Significant accounting judgments, estimates and assumptions

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future. These are disclosed in note 25 of the financial statements.

3 Property and equipment

Group	**Motor vehicles**	**Furniture and fixtures**	**Total**
	RO'000	**RO'000**	**RO'000**
Cost			
As at 1 April 2014	92	301	393
Additions during the year	19	15	34
Disposals during the year	(16)	(67)	(83)
As at 31 March 2015	95	249	344
Depreciation			
As at 1 April 2014	53	244	297
Charge for the year	17	31	48
Disposals during the year	(16)	(67)	(83)
As at 31 March 2015	54	208	262
Net book value			
As at 31 March 2015	**41**	**41**	**82**

Group	Motor vehicles	Furniture and fixtures	Total
	RO'000	RO'000	RO'000
Cost			
As at 1 April 2013	98	286	384
Additions during the year	32	16	48
Disposals during the year	(38)	(1)	(39)
As at 31 March 2014	92	301	393
Depreciation			
As at 1 April 2013	77	206	283
Charge for the year	14	39	53
Disposals during the year	(38)	(1)	(39)
As at 31 March 2014	53	244	297
Net book value			
As at 31 March 2014	39	57	96

3 Property and equipment (continued)

Parent Company	**Motor vehicles RO'000**	**Furniture and fixtures RO'000**	**Total RO'000**
Cost			
As at 1 April 2014	39	122	161
Additions during the year	-	1	1
Disposals during the year	(9)	(67)	(76)
As at 31 March 2015	30	56	86
Depreciation			
As at 1 April 2014	15	99	114
Charge for the year	7	12	19
Disposals during the year	(9)	(67)	(76)
As at 31 March 2015	13	44	57
Net book values			
As at 31 March 2015	**17**	**12**	**29**

Parent Company	Motor vehicles RO'000	Furniture and fixtures RO'000	Total RO'000
Cost			
As at 1 April 2013	29	119	148
Additions during the year	29	3	32
Disposals during the year	(19)	-	(19)
As at 31 March 2014	39	122	161
Depreciation			
As at 1 April 2013	27	86	113
Charge for the year	7	13	20
Disposals during the year	(19)	-	(19)
As at 31 March 2014	15	99	114
Net book values			
As at 31 March 2014	24	23	47

4 Intangible assets

	Customer portfolio	License	Computer software	Goodwill	Total
	RO '000	RO '000	RO '000	RO '000	RO '000
Cost					
As at 1 April 2014	560	290	108	513	1,471
Additions during the year	-	-	-	-	-
As at 31 March 2015	**560**	**290**	**108**	**513**	**1,471**
Amortisation / impairment					
As at 1 April 2014	472	210	98	120	900
Charge during the year	56	40	5	-	101
As at 31 March 2015	**528**	**250**	**103**	**120**	**1,001**
Net book value					
As at 31 March 2015	**32**	**40**	**5**	**393**	**470**

	Customer portfolio	License	Computer software	Goodwill	Total
	RO '000	RO '000	RO '000	RO '000	RO '000
Cost					
As at 1 April 2013	560	290	105	513	1,468
Additions during the year	-	-	3	-	3
As at 31 March 2014	560	290	108	513	1,471
Amortisation / impairment					
As at 1 April 2013	416	170	89	120	795
Charge during the year	56	40	9	-	105
As at 31 March 2014	472	210	98	120	900
Net book value					
As at 31 March 2014	88	80	10	393	571

The customer portfolio acquired in the year 2005, at the time was valued by the management by reference to the assessed net present value of future positive cash flows arising there from. The license was valued by the management on the basis of the estimated cost it would have incurred in obtaining a new license.

Goodwill recognised relates to acquisition of Falcon Insurance Company SAOC. Goodwill recognised on acquisition is allocated to cash generating units of Falcon Insurance Company SAOC, for impairment testing. The recoverable amount of the cash generating units has been determined based on a value in use calculation using cash flow projections.

The Group has performed its annual impairment testing over intangible assets and there have been no events or changes in circumstances to indicate that the carrying value of these may be impaired.

5 Investments

	2015			2014		
Group	**Quoted**	**Unquoted**	**Total**	Quoted	Unquoted	Total
	RO'000	**RO'000**	**RO'000**	RO'000	RO'000	RO'000
Non-current assets						
Investment in associates (note 5.1)	**5,535**	**-**	**5,535**	16,474	2,602	19,076
Investments at fair value through profit and loss account (note 5.3)	**9,726**	**635**	**10,361**	6,251	653	6,904
Available for sale financial assets	**876**	**201**	**1,077**	670	180	850
	10,602	**836**	**11,438**	6,921	833	7,754
Carrying values	**16,137**	**836**	**16,973**	23,395	3,435	26,830
Current assets						
Held for trading	**4,652**	**-**	**4,652**	4,174	-	4,174
Total carrying values	**20,789**	**836**	**21,625**	27,569	3,435	31,004
Parent Company						
Non-current assets						
Investment in associates	**1,465**	**-**	**1,465**	11,020	1,785	12,805
Investment in subsidiaries (note 5.2)	**-**	**4,484**	**4,484**	-	4,484	4,484
Investment at fair value through profit and loss account	**8,589**	**635**	**9,224**	6,247	653	6,900
Carrying values	**10,054**	**5,119**	**15,173**	17,267	6,922	24,189
Current assets						
Held for trading	**170**	**-**	**170**	33	-	33
Total carrying values	**10,224**	**5,119**	**15,343**	17,300	6,922	24,222

5.1 Investment in associates

	Group Ownership interest %		Parent company Ownership interest %		
	2015	2014	**2015**	2014	Status
Investment in associates:					
Voltamp Energy SAOG and its subsidiaries	**25.00**	25.00	**25.00**	25.00	Quoted
Taageer Finance Company SAOG (ii)	**-**	33.63	**-**	29.70	Quoted
Al Maha Ceramics Company SAOG (iii)	**21.26**	36.06	**21.26**	36.06	Quoted (2014:Unquoted)

(i) Investment in associates represent companies registered in the Sultanate of Oman.

5 Investments (continued)

5.1 Investment in associates (continued)

(ii) During the year, the Group and Parent Company has disposed its entire stake of 33.63% and 29.70%, respectively in Taageer Finance Company SAOG.

(iii) During the year, the Group and the Parent Company has disposed its stake of 14.80% in Al Maha Ceramics SAOG as part of IPO.

A summary of financial information for investment in associates not adjusted for the percentage held by the Parent Company is set out below:

	2015	2014
	RO'000	RO'000
Total assets	**45,287**	142,086
Total liabilities	**19,281**	88,029
Total revenues	**36,919**	42,356
Profit for the year	**4,706**	8,390

The movement in carrying value of investments in associates, net of impairment, in Group accounts is as follows:

	2015	2014
	RO'000	RO'000
At 1 April	**19,076**	18,404
Additional investment	**-**	13
Disposal of investment	**(14,724)**	(493)
Dividends received	**(750)**	(1,678)
Share of movement in other comprehensive income	**(52)**	52
Share of profit after tax	**1,985**	2,778
At 31 March	**5,535**	19,076

Group's share of profits of associates for the year is as follows:

	2015	2014
	Group	Group
	RO'000	RO'000
Voltamp Energy SAOG and its subsidiaries	**501**	547
Al Maha Ceramics Company SAOC	**869**	911
Taageer Finance Company SAOG	**615**	1,320
	1,985	2,778

Investments having a total carrying value of RO 0.223 million (2014: RO 1.3 million) are registered in the name of Al-Anwar International Investment LLC for and on behalf of the Parent Company.

5 Investments (continued)

5.2 Investment in subsidiaries

Investments in subsidiaries represents companies registered in Oman.

	Ownership interest %		
	2015	2014	Status
Subsidiaries:			
Al Anwar International Investment LLC	**100.00**	100.00	Unquoted
Al Anwar Development LLC	**100.00**	100.00	Unquoted
Falcon Insurance Company SAOC	**51.04**	51.04	Unquoted

5.3 Investments at fair value through profit or loss

Investments at fair value through profit or loss represent companies registered in the Sultanate of Oman, Kuwait, Bahrain and India having financial reporting periods ended on 31 December 2014 as follows:

	Group		
	2015 %	2014 %	
Investments at fair value through profit or loss:			
Computer Stationery Industry SAOG	**0.11**	0.11	Quoted
Bank Sohar SAOG	**-**	2.38	Quoted
Addax Bank BSC (C)	**3.83**	3.83	Unquoted
Al Ritaj Investment Company, Kuwait	**0.40**	0.40	Unquoted
Almondz Global Securities Ltd, India	**11.94**	11.94	Quoted
Sun Packaging Company LLC	**11.50**	11.50	Unquoted
Oman International Development and Investment Company SAOG	**6.43**	-	Quoted

The Group's quoted investments are listed on the stock exchanges of Oman, GCC markets and India.

Sector-wise analysis of the Group's investment in financial asset at fair value through profit or loss is as follows:

	Group		Parent	
	2015 %	2014 %	**2015 %**	2014 %
Banking	**4**	58	**2**	88
Leasing	**3**	4	**-**	-
Financial Services	**82**	24	**92**	6
Industry	**8**	12	**4**	5
Others	**3**	2	**2**	-

5 Investments (continued)

5.3 Investments at fair value through profit or loss (continued)

Group's investment in investment at fair value through profit or loss having the market value of 10% or more of the Group's total investments at fair value through profit or loss and held for trading in quoted securities is as follows:

Parent	Percentage of the portfolio	Number of securities	Market value RO'000	Carrying value RO'000
2015				
Oman International Development and Investment Company SAOG	**95.76%**	**20,972,219**	**8,389**	**8,389**
2014				
Bank Sohar SAOG	97.45%	27,202,996	6,121	6,121
Group				
2015				
Oman International Development and Investment Company SAOG	**66.23%**	**23,805,397**	**9,522**	**9,522**
2014				
Bank Sohar SAOG	55.25%	27,202,996	6,121	6,121

6 Investment properties

	2015 RO'000	2014 RO'000
Non current asset		
Falcon Insurance Company SAOC	**1,900**	1,900

Falcon Insurance Company SAOC
Investment property amounting RO 1.900 million (2013: RO 1.900 million) comprises land acquired during 2007, which is registered in the name of certain Directors, who are holding the property beneficially for and on behalf of Falcon Insurance Company SAOC. In 2009, the Falcon Insurance Company SAOC acquired an additional area of 623 square meters at the same location that form part of the existing location.

The original cost of investment property is RO 1,425,000 (2013 – RO 1,425,000) and accumulated fair value changes are RO 475,000 (2013 : RO 475,000).

The fair value is based on valuation carried out on 20 January 2014 by recognised independent valuer (level – 2 fair values). The impact of change in fair value of investment property by 5% is RO 95,000 (2013 – RO 95,000) on profit before tax of the Company.

7 Net insurance liabilities

Falcon Insurance Company SAOC became subsidiary from 1 June 2010, the insurance contract liabilities and reinsurance contract assets as at 31 December 2014 are consolidated and has been presented below:

	2015 RO '000	2014 RO '000
Gross insurance contract liabilities	**11,323**	22,765
Due to reinsurance	**6,938**	6,868
Less: Reinsurers' share of insurance liabilities	**(6,093)**	(18,798)
Net insurance liabilities	**12,168**	10,835

8 Trade and other receivables

	Group		Parent Company	
	2015	2014	**2015**	2014
	RO'000	RO'000	**RO'000**	RO'000
Premium receivable	**3,074**	2,536	**-**	-
Impairment allowance	**(371)**	(301)	**-**	-
	2,703	2,235	**-**	-
Insurance accounts receivable	**382**	336	**-**	-
Prepayments and other receivables	**876**	446	**413**	147
Amounts due from related parties (note 21)	**513**	1,231	**1,103**	1,044
	4,474	4,248	**1,516**	1,191
Movement in impairment allowance is as follows:				
As at 1 April	**301**	160	**-**	-
Provided during the year	**70**	148	**-**	-
Written off during the year	**-**	(7)	**-**	-
As at 31 March	**371**	301	**-**	-

9 Cash and bank balances

	Group		Parent Company	
	2015	2014	**2015**	2014
	RO'000	RO'000	**RO'000**	RO'000
Cash in hand	**-**	24	**-**	-
Cash at bank:				
Current accounts	**4,413**	1,335	**4,322**	551
Cash and cash equivalent	**4,413**	1,360	**4,322**	551
Other short term deposits	**6,942**	6,473	**-**	-
Cash and bank balances	**11,355**	7,833	**4,322**	551

Bank deposits

The term deposits are placed with commercial banks and approved non-banking financial institutions in the Sultanate of Oman and carry an effective annual interest rate between 1.25% to 4.00% (2014: 1.25% to 4.00%).

The deposits have an original maturity period of 3 months to 3 year from the date of placement (2014: 3 months to three years)

In accordance with the law governing the operations of insurance companies within the Sultanate of Oman, the subsidiary company has identified to the Capital Market Authority certain deposits and investments included at 31 December 2014 at a total value of RO 10,756,310 (2013: RO 9,645,202). These assets can only be transferred with the prior approval of the Capital Market Authority.

10 Share capital and reserves

a) Share capital

The authorised share capital of the Parent Company comprises 200,000,000 (2014: 200,000,000) shares of 100 baisas (2014: Bz 100) each. The issued and fully paid up share capital consists of 130,500,000 (2014: 120,000,000) shares of 100 baisas (2014: Bz. 100) each.

At the reporting date, details of shareholders, who own 5% or more of the Parent Company's share capital, are as follows:

	Number of shares held	**2015 (%)**	Number of shares held	2014 (%)
Fincorp Investment Company LLC	**30,059,742**	**23.03**	26,445,740	22.04
Financial Services Company SAOG – Trust	**-**	**-**	19,142,764	15.95
Al Khonji Holdings LLC	**7,758,119**	**5.94**	7,000,000	5.83
Mohamed and Ahmed Al Khonji LLC	**6,569,166**	**5.03**	6,040,613	5.03

b) Legal reserve

As required by Article 106 of the Commercial Companies Law of the Sultanate of Oman, the Parent Company transfer 10% of their profit for the year to such reserve until such time as the statutory reserve amounts to at least one third of the Company's share capital.

c) Other reserves

Other reserves comprise contingency reserve in the amount of RO 453,000 (2014: RO 322,000) and fair value reserve in the amount of RO 44,000 (2014: RO 90,000).

d) Contingency reserve

In accordance with Article 20 (2) (c) amended by Royal Decree No. 35/95 of the Oman Insurance Companies Law 1979, 10% of the net outstanding claims for general insurance business at the reporting date is transferred to a contingency reserve. For life insurance the reserve is calculated at the rate of 1% of gross written premium. Falcon Insurance Company SAOC may discontinue such annual transfers when the reserve equals its paid up capital.

Total contingency reserve as of 31 December 2014 accounted for by Falcon Insurance Company SAOC amounted to RO 1,283,307 (2014: RO 1,026,999). However in consolidated financial statement contingency reserve of RO 453,000 (2014: RO 322,000), represent the Group's share of post acquisition portion.

e) Fair value reserve

The Group has recognised its share of fair value reserve on revaluation of available for sale financial assets from a subsidiary.

11 Non-controlling interests

Non-controlling interests comprises share of total comprehensive income and net assets attributable to non-controlling shareholders in the following subsidiary:

	2015		2014	
	Results	Net assets	Results	Net assets
	RO'000	**RO'000**	RO'000	RO'000
Falcon Insurance Company SAOC	**349**	**4,170**	524	3,815

12 Bank borrowings

	Group		Parent Company	
	2015	2014	**2015**	2014
Term loan	**RO'000**	RO'000	**RO'000**	RO'000
Non-current portion				
From commercial banks	-	7,208	-	7,208
Current portion				
From commercial banks	-	2,496	-	2,496
Short-term bank borrowing (note 14)	-	-	-	-
	-	2,496	-	2,496
	-	9,704	-	9,704

Repayment schedule of term loan of the Parent Company and the Group is as follows:

31 March 2015	**Total RO'000**	**Within one year RO'000**	**1 to 2 years RO'000**	**2 to 7 years RO'000**
Commercial banks	-	-	-	-
31 March 2014				
Commercial banks	9,704	2,496	4,921	2,287

During the year, the above loans have been prepaid by the Parent Company.

The above loans carried annual interest rate ranging from 4.0% to 4.5% (2014: 4.3% to 5.5%).

13 Trade and other payables

	Group 2015 RO'000	Group 2014 RO'000	**Parent Company 2015 RO'000**	Parent Company 2014 RO'000
Trade payables	**822**	616	-	-
Accruals and other payables	**675**	582	**193**	116
Amounts due to related parties (note 21)	-	-	**469**	522
	1,497	1,198	**662**	638

14 Short term bank borrowings

The Parent Company has overdraft facilities of RO 1,450,000 (2014: RO 1,300,000) from three commercial banks. The interest on bank borrowings is charged at commercial rates. There were no amounts outstanding under these facilities as disclosed in note 12.

15 Net investment income

	Group 2015 RO'000	Group 2014 RO'000	Parent Company 2015 RO'000	Parent Company 2014 RO'000
Unrealised gain on re-measurement at fair value (note 19 (b))	**355**	1,518	**662**	628
Unrealised loss on re-measurement / disposal of investment properties	**-**	(882)	**-**	(500)
Gain on disposal of investment (note 19 (a))	**1,798**	408	**4,963**	845
Dividend income	**648**	219	**1,309**	1,791
Interest income	**268**	216	**23**	2
Miscellaneous income	**61**	56	**-**	2
Liabilities no long payable written back	**636**	-	**-**	-
Recovery from ABI Precision Casting SAOC	**-**	31	**-**	31
Management and sitting fees	**28**	31	**28**	31
Profit on sale of assets	**5**	7	**2**	7
	3,799	1,604	**6,987**	2,837

16 Net assets per share and basic earnings per share

Net assets per share is calculated by dividing the net assets attributable to the shareholders of the Parent Company by the weighted number of shares outstanding at the year-end as follows:

	Group		Parent Company	
	2015	2014	**2015**	2014
Net assets attributable to the shareholders of the Parent Company (RO'000)	**25,609**	22,187	**20,276**	15,410
Number of shares outstanding at 31 March ('000)	**130,500**	120,000	**130,500**	120,000
Net assets per share (in Baisas)	**196**	185	**155**	128

Basic earnings per share is calculated by dividing the profit for the year attributable to the shareholders of the Parent Company by the weighted average number of shares outstanding during the year, as follows:

	Group		Parent Company	
	2015	2014	**2015**	2014
Profit for the year attributable to equity shareholders of Parent Company (RO'000)	**4,668**	3,051	**6,066**	1,839
Weighted average number of shares outstanding ('000)	**130,500**	130,500	**130,500**	130,500
Basic earnings per share (in Baisas)	**36**	23	**46**	14

The weighted average number of shares outstanding before the event is adjusted for the change in the number of shares due to bonus issue as if the event had occurred at the beginning of the earliest year presented.

17 Proposed dividend

The Board of Director's have proposed stock dividend of 15% of the share capital amounting to RO 1,957,500 (15 shares per 100 shares of the face value of RO 0.100) and cash dividend of 10% of the share capital amounting to RO 1,305,000 for the current year (2013-14: cash dividend of 10% amounting to RO 1,200,000).

18 Employees' end of service benefits

	Group		Parent Company	
	2015	2014	**2015**	2014
	RO'000	RO'000	**RO'000**	RO'000
As at 1 April	**82**	58	**23**	16
Charge for the year	**37**	29	**13**	7
Paid during the year	**(4)**	(5)	**-**	-
As at 31 March	**115**	82	**36**	23

19 Gain on investments

a) Gain on disposal of investments

	Group		Parent Company	
	2015	2014	**2015**	2014
	RO'000	RO'000	**RO'000**	RO'000
Realised gain on sale of investment	**1,732**	405	**4,816**	846
Gain / (loss) on sale of investment at fair value through profit or loss	**66**	3	**147**	(1)
	1,798	408	**4,963**	845

The realised gain on sale of investment relates to disposal of 33.63% shareholding in Taageer Finance Company SAOG and disposal of 14.80% by IPO in Al Maha Ceramics SAOG during the current year.

b) Unrealised gain / (loss) on re-measurement of investments

	Group		Parent Company	
	2015	2014	**2015**	**2014**
	RO'000	RO'000	**RO'000**	**RO'000**
Unrealised gain on re-measurement of quoted investments	**372**	1,570	**679**	680
Unrealised loss on re-measurement of unquoted investments	**(17)**	(52)	**(17)**	(52)
	355	1,518	**662**	628

20 Taxation

The tax authorities in Oman follow the legal entity concept. There is no concept of group taxation in Oman. For the entities registered in Oman, the applicable tax rate is 12% (2014 – 12%). For the purpose of determining the taxable result for the year, the accounting results for respective group company has been adjusted for tax purposes. Adjustments for tax purposes include items relating to both income and expense. The adjustments are based on the current understanding of the existing tax laws, regulations and practices.

20 Taxation (continued)

In respect of the Parent Company, no provision for taxation has been made as the Parent Company has reported a taxable loss for the year. Therefore, the applicable tax rate is nil (2014: nil). The average effective tax rate can not be determined in view of the taxable loss. The Parent Company's tax assessments have been completed by the Oman tax authorities up to 31 March 2008.

	Group 2015 RO'000	Group 2014 RO'000	**Parent Company 2015 RO'000**	Parent Company 2014 RO'000
Statement of comprehensive income:				
Current tax for the year	**(89)**	11	**-**	-
Deferred tax	**(59)**	(9)	**-**	-
	(148)	2	**-**	-
Current liability				
Provision for income tax	**325**	236	236	236
Deferred tax (liability) / asset				
As at 1 April	**27**	36	**-**	-
Movement for the year	**(59)**	(9)	**-**	-
As at 31 March	**(32)**	27	**-**	-
Reconciliation is as follows:				
Profit before taxation	**5,165**	3,566	**6,066**	1,839
Tax charge at applicable rates	**(828)**	(344)	**(728)**	(221)
Expenses not deductible	**(83)**	(155)	**(83)**	(155)
Exempt incomes	**857**	595	**834**	477
Deferred tax pertaining to tax losses during the year	**(94)**	(94)	**(23)**	(101)
Taxation charge	**(148)**	2	**-**	-

Details of unrecognised deferred tax asset in Parent Company are as follows:

	Parent Company	
	2015 RO'000	2014 RO'000
Property and equipment	**-**	(1)
Investment at fair value through profit or loss	**(7)**	4
Tax losses	**144**	143
	137	146

Parent Company
The tax returns of the Parent Company for the years 2009 to 2014 have not yet been agreed with the Secretariat General for Taxation at the Ministry of Finance. The Management is of the opinion that additional taxes, if any, related to the open tax years would not be significant to the Parent Company's financial position as at 31 March 2015.

Subsidiaries
The tax returns of the Falcon Insurance Company SAOC for the years 2009 to 2014 have not yet been agreed with the Secretariat General for Taxation at the Ministry of Finance. The Management of the Company believes that additional taxes, if any, related to the open tax years would not be significant to the financial position of the Company as at 31 December 2014.

20 Taxation (continued)

Al Anwar International Investment LLC has filled the annual returns of income for the years 2000 to 2014. The management consider that the amount of additional taxes, if any, that may become payable on finalisation of the above tax years would not be material to the Company's statement of financial position at the end of the reporting period.

Al Anwar Development LLC formerly known Al Anwar Securities SAOC has filled the annual returns of income for the years 2009 to 2014. The management consider that the amount of additional taxes, if any, that may become payable on finalisation of the above tax year would not be material to the Company's financial position at the end of the reporting period.

21 Related party transactions and balances

The Group enters into transactions with entities in which certain members of the Board of Directors have interest and are able to exercise significant influence. In the ordinary course of business, such related parties provide goods, services and funding to the Group. The Group also provides management services and funding to the related parties. These transactions are entered into on terms and conditions, approved by the Board of Directors.

a) During the year, related party transactions were as follows:

Transactions entered into by the Parent Company	**2015 RO'000**	2014 RO'000
Remuneration and meeting attendance fees income	**28**	31
Directors sitting fees paid	**38**	36
Directors remuneration	**146**	76
Falcon Insurance Company SAOC		
Premiums written	**316**	428
Reinsurance premium paid	**236**	279
Reinsurance recovery on claims paid	**30**	77
Claims paid	**40**	132
Dividend received	**19**	5
Insurance and other receivables	**135**	94
Directors sitting fees	**13**	14
Directors' remuneration	**37**	30

b) The compensation to key management personnel for the year comprises:

	Group 2015 RO'000	Group 2014 RO'000	**Parent Company 2015 RO'000**	Parent Company 2014 RO'000
Short term employment benefits	**521**	446	**241**	224
End of service benefits	**24**	12	**12**	7
Directors sitting fees paid	**51**	50	**38**	36
Directors' remuneration	**183**	106	**146**	76
	779	614	**437**	343

The Directors' sitting fees of RO 38,100 (2014: RO 35,900), travel expenses of RO nil (2014: RO 1,020) and Directors' remuneration of RO 146,000 (2014: RO 75,500) paid by the Parent Company is subject to the approval of the shareholders at the Annual General Meeting.

21 Related party transactions and balances (continued)

The amounts due to and due from related parties are interest free, unsecured and are repayable on demand as under:

	Group 2015 RO'000	Group 2014 RO'000	**Parent Company 2015 RO'000**	Parent Company 2014 RO'000
Due from related parties (note 8)				
Falcon Insurance SAOC	**-**	-	**162**	-
Al Anwar International investment LLC	**-**	-	**563**	-
Voltamp Energy SAOG	**378**	340	**378**	340
Taageer Finance Company SAOG	**-**	797	**-**	704
In the Books of subsidiary : Falcon Insurance Company SAOC	**135**	94	**-**	-
	513	1,231	**1,103**	1,044
Due to related parties (note 13)				
Al Anwar International investment LLC	**-**	-	**-**	52
Al Anwar Development LLC	**-**	-	**469**	470
	-	-	**469**	522

22 Employee related expenses

Total employee related expenses included in operating expenses comprise:

	Group 2015 RO'000	Group 2014 RO'000	**Parent Company 2015 RO'000**	Parent Company 2014 RO'000
Salaries and wages	**929**	862	**196**	174
Other benefits	**220**	135	**80**	48
Contributions to defined contribution retirement plans for Omani employees	**26**	23	**2**	1
Cost of end of service benefits for expatriate employees	**37**	29	**13**	7
	1,212	1,049	**291**	230

23 Contingencies

Falcon Insurance Company SAOC has a guarantee issued in favour of the Omani Unified Bureau for Orange Card SAOC for an amount of RO 50,000 (2014: RO 50,000) and RO 91,508 (2014: RO 125,453) issued for tender purpose from which it is anticipated that no material liabilities will arise.

24 Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework and is responsible for developing and monitoring the Group's risk management policies.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Group does not require collateral in respect of financial assets. The Group seeks to control credit risk by monitoring credit exposures and continually assessing the creditworthiness of counter parties. Risk is considered minimal by the Group, as the payments are made by the customer as per contractual obligations. Credit risk on debtors is limited to their carrying values as the management regularly reviews these balances to assess recoverability and create provision for balances whose recoverability is in doubt.

The aging of consolidated premium receivables and insurance accounts receivable at the reporting date was:

	2015		2014	
	Gross RO'000	**Impairment RO'000**	Gross RO'000	Impairment RO'000
Not past due	**848**	**-**	958	-
Past due 30 to 90 days	**554**	**-**	561	-
Past due 91 to 365 days	**169**	**(70)**	1,193	(141)
Past due >365 days	**1,885**	**(301)**	160	(160)
	3,456	**(371)**	2,872	(301)

24 Financial risk management (continued)

Credit risk (continued)

The maximum exposure to credit risk for trade receivables, net of impairment provision at the reporting date by geographic region was:

	Carrying amount	
	2015	2014
	RO'000	RO'000
Sultanate of Oman and other GCC countries	**3,085**	2,571

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group uses local banks operating in the Sultanate of Oman to ensure that it has sufficient cash on demand to meet expected operational expenses and sufficient credit facilities to manage its liquidity risk. The maturities of Group's undiscounted consolidated financial liabilities at reporting date is as below:

31 March 2015	Carrying amount RO'000	Contractual cash flows RO'000	Less than 6 months RO'000	6 months to 1 year RO'000	Above 1 year RO'000
Non-derivative financial liabilities					
Term loans	-	-	-	-	-
Gross insurance contract liability	**11,323**	**(11,323)**	**(5,662)**	**(5,662)**	-
Trade and other payables	**1,497**	**(1,497)**	**(1,497)**	-	-
Due to reinsurance	**6,938**	**(6,938)**	**(6,938)**	-	-
	19,758	**(19,758)**	**(14,079)**	**(5,662)**	-
31 March 2014					
Non-derivative financial liabilities					
Term loans	9,704	(10,689)	(1,467)	(2,798)	(6,424)
Gross insurance contract liability	22,765	(22,765)	(11,382)	(11,383)	-
Trade and other payables	1,198	(1,198)	(1,198)	-	-
Due to reinsurance	6,868	(6,868)	(6,868)	-	-
	40,535	(41,520)	(20,915)	(14,181)	(6,424)

Market risk

Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group invests in securities and has borrowings and deposits that are subject to interest rate risk. Interest rate risk to the Group is the risk of changes in market interest rates reducing the overall return on its interest bearing securities.

24 Financial risk management (continued)

Market risk (continued)

The Group's interest risk policy requires to manage interest risk by maintaining an appropriate mix of fixed and variable rate instruments. The policy also requires it to manage the maturities of interest bearing financial assets and interest bearing financial liabilities. The Group limits interest rate risk by monitoring changes in interest rates in the currencies in which its cash and investments are denominated and has no significant concentration of interest rate risk. Group's borrowings are at a fixed rate.

The Group accounts for fixed rate financial assets and interest rates are contractually agreed and remain constant throughout the maturity period.

The Group's interest rate risk relating to deposits as at 31 March 2015 based on contractual arrangements was as follows:

	Up to 6 months RO'000	6 months to 1 year RO'000	1 year to 2 year RO'000	Total RO '000	Effective interest rate %
Bank deposits					
31 March 2015	**1,250**	**5,692**	**4,010**	**10,952**	**1.25%-4.00%**
31 March 2014	252	6,221	2,378	8,851	1.25%-4.00%

Equity price risk

Equity price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Group's equity price risk exposure relates to financial assets and financial liabilities whose values will fluctuate as a result of changes in market prices, principally investment securities not held for the account of unit-linked business.

The Group's price risk policy requires it to manage such risks by setting and monitoring objectives and constraints on investments, diversification plans, limits on investments in each country, sector and market and careful and planned use of derivative financial instruments.

Sensitivity analysis – equity price risk

The 5% change in value of equity securities would impact results and equity by RO 0.805 million (2014: RO 0.596 million)

Currency risk

The Group's exposure to currency risk mainly relates to its investment in Almondz Global Securities and Al Ritaj Investment, in the amount equivalent to RO 0.250 million (2014: RO 0.184 million) at the reporting date. Change of 10% in currency fluctuations would impact results and equity by RO 25,002 (2014: RO 18,400).

Fair value

Management estimates that carrying value of the financial assets and liabilities approximate to their respective fair values at the reporting date.

24 Financial risk management (continued)

Fair value (continued)

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

	2015		2014	
	RO'000 Level 1	RO'000 Level 3	RO'000 Level 1	RO'000 Level 3
Parent Company				
Financial assets at fair value through profit or loss	8,759	635	6,280	653
Group				
Available for sale financial assets	876	201	670	180
Financial assets at fair value through profit or loss	14,378	635	10,425	653
	15,254	836	11,095	833

	2015				
	Level 1		Level 3		
	Equity securities RO '000	Debt securities RO '000	Equity securities RO '000	Total RO '000	2014 RO '000
Parent Company					
Opening balance	6,280	-	653	6,933	953
Purchases / transfer from investments	7,920	-	-	7,920	5,431
Sales / transfer to investments	(6,121)	-	-	(6,121)	(72)
Unrealised gain / (loss) on financial asset at fair value through profit or loss	680	-	(18)	662	621
	8,759	-	635	9,394	6,933
Group					
Opening balance	10,425	670	833	11,928	5,055
Purchases/transfer from investments	9,815	267	-	10,082	5,469
Sales/transfer to investments	(6,131)	(52)	-	(6,183)	(77)
Unrealised gain / (loss) on financial asset at fair value through profit or loss	269	(9)	3	243	1,481
	14,378	876	836	16,090	11,928

Fair value details of investment property are disclosed in note 6.

Investments in associates include quoted equity investments listed on the Muscat Securities Market. The table below shows the market value based on closing prices as at 31 March and carrying value of such quoted investments.

	Group 2015 RO '000	Group 2014 RO '000	Parent Company 2015 RO '000	Parent Company 2014 RO '000
Market value – Level 1	11,569	7,109	11,569	7,109
Market value – Level 3	-	7,157	-	7,157
Carrying value	5,535	19,076	1,465	12,805

24 Financial risk management (continued)

Operational risks

Operational risk is the risk of loss arising from system failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss.

The Group cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Group is able to manage the risks.

The Group has detailed systems and procedures manuals with effective segregation of duties, access controls, authorisation and reconciliation procedures, staff training and assessment processes etc. with a compliance and internal audit framework. Business risks such as changes in environment, technology and the industry are monitored through the Group's strategic planning and budgeting process.

Governance framework

The primary objective of the Group's risk and financial management framework is to protect the Group's shareholders from events that hinder the sustainable achievement of the set financial performance objectives. Key management recognises the critical importance of having efficient and effective risk management systems in place.

Capital management framework

The Group has an internal risk management framework for identifying risks to which each of its business units and the Group as a whole are exposed, quantifying their impact on economic capital. The internal framework estimates indicate how much capital is needed to mitigate the risk of insolvency to a selected remote level of risk applied to a number of tests (both financial and non-financial) on the capital position of the business.

For the insurance subsidiary externally imposed capital requirements are set and regulated by the Capital Market Authority and the other relevant regulators are put in place to ensure sufficient solvency margins. Further objectives are set by the Group to maintain a strong credit rating and healthy capital ratios in order to support its business objectives and maximise shareholders value.

The Group manages its capital requirements by assessing shortfalls between reported and required capital levels on a regular basis.

The Group fully complied with the externally imposed capital requirements during the reported financial periods and no changes were made to its capital base, objectives, policies and processes from the previous year.

Regulatory framework

Regulators are primarily interested in protecting the rights of the policy holders and monitor them closely to ensure that the Group is satisfactorily managing affairs for their benefit. At the same time, the regulators are also interested in ensuring that the Group maintains an appropriate solvency position to meet unforeseen liabilities arising from economic shocks or natural disasters.

The operations of the Group are also subject to regulatory requirements within the jurisdictions where it operates. Such regulations not only prescribe approval and monitoring of activities, but also impose certain restrictive provisions (eg capital adequacy) to mitigate the risk of default and insolvency on the part of the insurance companies to meet unforeseen liabilities as these arise.

24 Financial risk management (continued)

Insurance risk

The principal risk the Group faces under insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore the objective of the Group is to ensure that sufficient reserves are available to cover these liabilities.

The Group manages the insurance risk through the careful selection and implementation of its underwriting strategy guidelines together with the adequate reinsurance arrangements and proactive claims handling.

The concentration of insurance risk exposure is mitigated by the implementation of the underwriting strategy of the Group, which attempts to ensure that the risks underwritten are well diversified across a large portfolio in terms of type, level of insured benefits, amount of risk, industry and geography. Underwriting limits are in place to enforce risk selection criteria.

The Group principally issues general insurance which constitute mainly marine & aviation and fire & general risks and life assurance contracts.

The Group, in the normal course of business, in order to mitigate financial exposure arising from large claims, enters into contracts with other parties for reinsurance purposes. Such reinsurance arrangements provide for greater diversification of business, allow management to control exposure to potential losses arising from large risks, and provide additional capacity for growth. A significant portion of the reinsurance is effected under treaty, facultative and excess-of-loss reinsurance contracts.

Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts.

To minimise its exposure to significant losses from reinsurer insolvencies, the Group evaluates the financial condition of its reinsurers and monitors concentrations of credit risk arising from similar geographic regions, activities or economic characteristics of the reinsures.

The Group only deals with reinsures which are generally international securities that are rated by international rating agencies or other GCC securities.

Although the Group has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to ceded insurance, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance agreements. The Group's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the Group substantially dependent upon any single reinsurance contract.

24 Financial risk management (continued)

Sensitivities

The general insurance claims provision is sensitive to the above key assumptions. The analysis below is performed for reasonably possible movements in key assumptions with all other assumptions held constant showing the impact on liabilities and net profit.

	Change in assumptions	Impact on liabilities RO '000	Impact on net profit RO '000
31 December 2014			
Incurred claims	+10%	379	(379)
	-10%	(379)	379
31 December 2013			
Incurred claims	+10%	295	(295)
	-10%	(295)	295

Claims development

The Group maintains strong reserves in respect of its insurance business in order to protect against adverse future claims experience and developments. The uncertainties about the amount and timing of claim payments are normally resolved within one year.

Key assumptions

The principal assumption underlying the estimates is the Group's past claims development experience. This includes assumptions in respect of average claim costs, claim handling costs, claim inflation factors and claim numbers for each accident year. Additional qualitative judgments are used to assess the extent to which past trends may not apply in the future, for example once-off occurrence, changes in market factors such as public attitude to claiming, economic conditions, as well as internal factors such as portfolio mix, policy conditions and claims handling procedures. Judgment is further used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates.

Other key assumptions include variation in interest rates, delays in settlement and changes in foreign currency rates.

25 Critical accounting estimate and judgements

In the process of preparing these financial statements, Management has made use of a number of judgments relating to the application of accounting policies which are described in note 2. Those which have the most significant effect on the reported amounts of assets, liabilities, income and expense are listed below.

These judgments are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management believes that the following discussion addresses the accounting policies that require judgments.

The key assumptions concerning the future, and other key sources of estimation uncertainty at the statement of reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

25 Critical accounting estimate and judgements (continued)

Classification of investment

Quoted Securities could be classified either as available for sale or at fair value through profit or loss. The Group invests substantially on quoted securities either locally or overseas and management has primarily decided to account for them as held for trading and recognises them at fair value through profit or loss.

Financial assets are classified as fair value through profit or loss where the assets are either held for trading or designated as at fair value through profit or loss.

Impairment of financial assets

The Group determines whether available for sale equity financial assets are impaired when there has been a significant or prolonged decline in their fair value below cost. This determination of what is significant or prolonged requires judgment. In making this judgment and to record whether impairment occurred, the Group evaluates among other factors, the normal volatility in share price, the financial health of the investee, industry and sector performance, changes in technology and operational and financial cash flows.

Claims made under insurance contracts

Claims and loss adjustment expenses are charged to income as incurred based on the estimated liability for compensation owed to contract holders or third parties damaged by the contract holders. Liabilities for unpaid claims are estimated using the input of assessments for individual cases reported to the Group and management estimations for the claims incurred but not reported. The method for making such estimates and for establishing the resulting liability is continually reviewed. Any difference between the actual claims and the provisions made are included in the statement of comprehensive income in the year of settlement.

Taxes

Uncertainties exist with respect to the interpretation of tax regulations and the amount and timing of future taxable income. Given the wide range of business relationships and nature of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of finalisation of tax assessments of the Parent Company and its Subsidiary. The amount of such provisions is based on various factors, such as experience of previous tax assessments and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. As of 31 March 2015, the Parent Company's assessment with the tax department has been agreed till the year ended 31 March 2008.

Impairment of Insurance and other receivables

An estimate of the collectible amount of insurance and other receivables is made when collection of the full amount is no longer probable. This determination of whether these insurance and other receivables are impaired, entails the Group evaluating, the credit and liquidity position of the policy holders and the insurance companies, historical recovery rates including detailed investigations carried out during 2014 and feedback received from their legal department. The difference between the estimated collectible amount and the book amount is recognised as an expense in the statement of comprehensive income. Any difference between the amounts actually collected in the future periods and the amounts expected will be recognized in the statement of comprehensive income at the time of collection.

25 Critical accounting estimate and judgements (continued)

Liability adequacy test

At each reporting date, liability adequacy tests are performed to ensure the adequacy of insurance contract liabilities. The Group makes use of the best estimates of future contractual cash flows and claims handling and administration expenses, as well as investment income from the assets backing such liabilities in evaluating the adequacy of the liability. Any deficiency is immediately charged to the statement of comprehensive incomes.

26 Operating segments

Primary reporting format – business segments

The Group is organised in the Sultanate of Oman into three main business segments:

a) Investment segment, which is engaged in investment in projects and their management. Investment segment is the only business segment in the Parent Group, hence not been disclosed separately.

b) Insurance segment, which is engaged in the underwriting of general insurance and group & individual life insurance business within the Sultanate of Oman.

There are sales and other transactions between the business segments. Segment assets consist primarily of property, plant and equipment, insurance assets, inventories, receivables, operating cash, and investments. Segment liabilities comprise operating liabilities. Common costs are allocated between the segments on relevant bases such as time devoted, turnover and space occupied.

26 Operating segments (continued)

Financial information in respect of the segments is presented below:

	Investment segment		Insurance segment		Group	Group
	2015	2014	2015	2014	2015	2014
	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
Income						
Dividend income	448	130	200	89	648	219
Share of profits of associates	1,985	2,778	-	-	1,985	2,778
Profit on sale of investment	1,880	403	(82)	5	1,798	408
Unrealised gain / (loss) on investment	862	628	(507)	890	355	1,518
Other income	53	73	945	268	998	341
Gross premium	-	-	16,912	13,060	16,912	13,060
Reinsurers' share	-	-	(10,941)	(8,406)	(10,941)	(8,406)
	5,228	4,012	6,527	5,906	11,755	9,918
Expenses						
Gross claims incurred	-	-	(23,131)	(6,243)	(23,131)	(6,243)
Reinsurance and other recoveries	-	-	20,028	3,070	20,028	3,070
Unrealised loss on investment properties	-	(500)	-	(382)	-	(882)
Others	-	-	(1,049)	165	(1,049)	165
	-	(500)	(4,152)	(3,390)	(4,152)	(3,890)
Net income	5,228	3,512	2,375	2,516	7,603	6,028
Other operating expenses	(757)	(563)	(1,515)	(1,463)	(2,272)	(2,026)
Finance charges	(166)	(436)	-	-	(166)	(436)
Profit before income tax	4,305	2,513	860	1,053	5,165	3,566
Taxation	-	-	(148)	2	(148)	2
Profit for the year	4,305	2,513	712	1,055	5,017	3,568
Total assets	21,729	28,288	22,187	19,769	43,916	48,057
Total liabilities	466	10,078	13,671	11,977	14,137	22,055

Secondary reporting format - Geographical segments

The Group operates primarily from the Sultanate of Oman and there are no distinguishable geographical operating segments. However the geographical profile of revenue and trade accounts receivable based on location of customers is shown below:

	2015 Operating income RO'000	2014 Operating income RO'000	2015 Trade receivable RO'000	2014 Trade receivable RO'000
Sultanate of Oman and GCC countries	3,630	2,206	3,456	2,872

27 Comparative figures

Certain comparative information has been reclassified to conform to the presentation adopted in these Parent Company and consolidated financial statements. Such reclassifications do not impact the Group's and the Parent Company's previous year reported profit or equity.