

## ***Directors' Report***

On behalf of the Board of Directors, I take pleasure in placing before you the results of the Company for the six month period ended 30 June 2015.

### ***Economic environment***

The local economic environment was positive during the period with increasing job creation and growth in infrastructure investments. Liquidity and confidence in the local financial system remained comfortable. While the country and region has relative economic stability, the global economy continued to remain at a higher level of volatility and risk. Current developments in Europe have again focused attention on the structural issues present in the developed countries which have the potential to cause significant disruption to the global financial system. In addition, the recent decline in global oil prices could slow the economy over the next year or two.

The local financial system has become more competitive with the entry of new financial players. This has caused pressure on realizations. This is likely to sustain over the next few quarters placing pressure on margins of all players. Overall, our reading of the economic climate remains cautiously optimistic with a positive market growth balanced against increased competition and more volatility caused by the oil price decline and global macro-economic developments.

### ***Operating performance***

The Company continues to adopt a prudent approach to credit approvals as a result of a perception of heightened credit risk since the onset of the global financial crisis. Within this policy, our approach has been to target customers who satisfy our credit risk appetite.

As a result of our strong business acquisition efforts, net investment in financing activities increased to Rials 170.26M as on 30 June 2015 (Rials 160.87M as on 31 December 2014).

Overall, the Company's net profit was Rials 2.78M for the six months ended 30 June 2015, an increase of 13.81% over last year's corresponding profit of Rials 2.44M.

### ***Other Matters***

Your Company remains committed to upgrading the skills of its employees through training and development. As of 30 June 2015 the Omanisation level stood at 83.10% which continued to be higher than the minimum prescribed for finance and leasing companies. The company continues to remain committed to providing increased exposure and training to Omani staff to prepare them for higher responsibilities.

Taya Jandal Ali  
Chairman

## NATIONAL FINANCE COMPANY SAOG

### UNAUDITED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2015

	Note	Quarter ended 30 June 2015 Rials '000	Six months ended 30 June 2015 Rials '000	Quarter ended 30 June 2014 Rials '000	Six months ended 30 June 2014 Rials '000
Finance income		3,887	7,727	3,788	7,486
Interest expense		(920)	(1,849)	(1,027)	(1,997)
<b>Net finance income</b>		<b>2,967</b>	<b>5,878</b>	2,761	5,489
Other income	8	227	440	153	339
<b>Net operating income</b>		<b>3,194</b>	<b>6,318</b>	2,914	5,828
<b>Expenses</b>					
General and administrative expenses	9	(1,100)	(2,204)	(1,034)	(2,036)
Depreciation	15	(33)	(60)	(78)	(155)
<b>Profit before impairment</b>		<b>2,061</b>	<b>4,054</b>	1,802	3,637
Impairment of financing receivables - net	13(b)	(466)	(897)	(379)	(829)
Bad debts written back / (off)		(3)	-	51	64
<b>Profit before taxation</b>		<b>1,592</b>	<b>3,157</b>	1,474	2,872
Taxation	10	(192)	(380)	(247)	(432)
<b>Profit for the period</b>		<b>1,400</b>	<b>2,777</b>	1,227	2,440
<b>Other comprehensive income</b>					
<b>Items that will not be reclassified to profit or loss</b>					
Gain on revaluation of building – net of tax		-	264	-	-
Incremental depreciation – net of tax		7	9	1	2
Revaluation of land and buildings		7	273	1	2
<b>Total comprehensive income for the period</b>		<b>1,407</b>	<b>3,050</b>	1,228	2,442
<b>Earnings per share (Rials)</b>	11	<b>0.005</b>	<b>0.011</b>	0.005	0.009

The notes on pages 6 to 13 form an integral part of this unaudited condensed interim financial information.

The review report is set forth on page 1.

# NATIONAL FINANCE COMPANY SAOG

## UNAUDITED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

	Note	30 June 2015 Rials '000	30 June 2014 Rials '000 Unaudited	31 December 2014 Rials '000 Audited
<b>ASSETS</b>				
Cash and bank balances	19	1,747	3,883	1,328
Statutory deposit	12	170	130	170
Net investment in financing activities	13	170,263	155,440	160,869
Tax asset – net	10	142	-	-
Advances and prepayments		1,758	1,782	1,648
Property pending sale	14	96	131	131
Property and equipment	15	1,450	1,248	1,154
<b>Total assets</b>		<b>175,626</b>	<b>162,614</b>	<b>165,300</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
<b>Capital and reserves</b>				
Share capital	16	26,323	25,681	25,681
Revaluation reserve		906	653	651
Legal reserve		3,556	3,036	3,556
Retained earnings		8,435	6,614	8,859
<b>Total equity</b>		<b>39,220</b>	<b>35,984</b>	<b>38,747</b>
<b>LIABILITIES</b>				
Creditors and accruals	17	6,055	4,617	4,605
Staff terminal benefits		544	561	542
Tax liabilities - net	10	-	16	321
Bank borrowings	18	112,583	104,221	101,317
Fixed deposits	20	17,224	17,215	19,768
<b>Total liabilities</b>		<b>136,406</b>	<b>126,630</b>	<b>126,553</b>
<b>Total equity and liabilities</b>		<b>175,626</b>	<b>162,614</b>	<b>165,300</b>
<b>Net assets per share</b>		<b>0.149</b>	<b>0.140</b>	<b>0.151</b>

These unaudited condensed interim financial information from page 2 to 13 were approved and authorised for issue in accordance with a resolution of the Board of Directors on 29 July 2015 and signed on their behalf by:

**TAYA BIN JANDAL BIN ALI**  
CHAIRMAN

**ROBERT PANCRAS**  
CHIEF EXECUTIVE OFFICER

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## NATIONAL FINANCE COMPANY SAOG

### UNAUDITED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2015

	Share capital Rials '000	Revaluation reserve Rials '000	Legal reserve Rials '000	Retained earnings Rials '000	Total Rials '000
<b>1 January 2015</b>	<b>25,681</b>	<b>651</b>	<b>3,556</b>	<b>8,859</b>	<b>38,747</b>
<b>Comprehensive income:</b>					
Profit for the period	-	-	-	2,777	2,777
<b>Other comprehensive income:</b>					
Incremental depreciation – net of tax	-	(9)	-	9	-
Gain on revaluation of building – net of tax	-	264	-	-	264
	-	255	-	9	264
<b>Transactions with owners:</b>					
Cash dividend paid	-	-	-	(2,568)	(2,568)
Stock dividend	642	-	-	(642)	-
<b>30 June 2015 (Unaudited)</b>	<b>26,323</b>	<b>906</b>	<b>3,556</b>	<b>8,435</b>	<b>39,220</b>
1 January 2014	25,055	655	3,036	7,304	36,050
<b>Comprehensive income:</b>					
Transfer to retained earnings – net of tax	-	(2)	-	2	-
Profit for the period	-	-	-	2,440	2,440
<b>Transactions with owners:</b>					
Cash dividend paid	-	-	-	(2,506)	(2,506)
Stock dividend	626	-	-	(626)	-
<b>30 June 2014 (Unaudited)</b>	<b>25,681</b>	<b>653</b>	<b>3,036</b>	<b>6,614</b>	<b>35,984</b>
1 January 2014	25,055	655	3,036	7,304	36,050
<b>Comprehensive income:</b>					
Profit for the year	-	-	-	5,203	5,203
<b>Other comprehensive income:</b>					
Transfer to retained earnings - net of tax	-	(4)	-	4	-
<b>Transactions with owners:</b>					
Transfer to legal reserve	-	-	520	(520)	-
Stock dividend	626	-	-	(626)	-
Cash dividend paid	-	-	-	(2,506)	(2,506)
<b>Total transactions with owners</b>	<b>626</b>	<b>-</b>	<b>520</b>	<b>(3,652)</b>	<b>(2,506)</b>
<b>31 December 2014 (Audited)</b>	<b>25,681</b>	<b>651</b>	<b>3,556</b>	<b>8,859</b>	<b>38,747</b>

The notes on pages 6 to 13 form an integral part of this unaudited condensed interim financial information.

The review report is set forth on page 1.

## NATIONAL FINANCE COMPANY SAOG

### UNAUDITED CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2015

	Six months ended 30 June 2015 Rials '000	Six months ended 30 June 2014 Rials '000
<b>Operating activities</b>		
Profit before taxation	3,157	2,872
<b>Adjustments for:</b>		
Depreciation	60	155
Provision for end of service benefits	74	112
Impairment of lease receivables - net	897	765
Loss on sale of property pending sale	10	-
Interest expense	1,849	1,997
<b>Operating cash flows before end of service benefits paid and changes in operating assets and liabilities</b>	<b>6,047</b>	<b>5,901</b>
End of service benefits paid	(72)	(101)
<b>Changes in operating assets and liabilities</b>		
Net investment in financing activities	(10,291)	(10,245)
Advances and prepayments	(110)	(155)
Creditors and accruals	1,450	1,519
Interest paid	(1,798)	(1,748)
Income tax paid	(879)	(983)
<b>Net cash used in operating activities</b>	<b>(5,653)</b>	<b>(5,812)</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of property pending sale	25	-
Purchase of property and equipment	(56)	(75)
<b>Net cash used in investing activities</b>	<b>(31)</b>	<b>(75)</b>
<b>Cash flows from financing activities</b>		
Bank borrowings	11,443	11,079
Fixed deposits repaid	(2,387)	(871)
Dividend paid	(2,568)	(2,506)
<b>Net cash generated from financing activities</b>	<b>6,488</b>	<b>7,702</b>
<b>Net increase in cash and cash equivalents during the period</b>	<b>804</b>	<b>1,815</b>
Cash and cash equivalents at the beginning of the period	848	1,335
<b>Cash and cash equivalents at the end of the period (note 19)</b>	<b>1,652</b>	<b>3,150</b>

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The review report is set forth on page 1.

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2015****1 Legal status and principal activities**

**National Finance Company SAOG** (the Company) is an Omani joint stock company registered under the Commercial Companies Law of the Sultanate of Oman and has a primary listing on the Muscat Security Market. The principal activity of the Company is leasing business.

**2 Summary of significant accounting policies**

This unaudited condensed interim financial information (interim financial information) for the six months period ended 30 June 2015 has been prepared in accordance with IAS 34, 'Interim financial reporting' and in compliance with the applicable provisions of the Rules and Guidelines on Disclosure by Issuers of Securities and Insider Trading ('R&G') issued by the Capital Market Authority ('CMA') of the Sultanate of Oman and the Commercial Companies Law of 1974, as amended. The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2014, which have been prepared in accordance with International Financial Reporting Standards ('IFRSs').

**3 Significant accounting policies**

The accounting policies adopted are consistent with those of the previous financial year.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

*(a) Standards, amendments and interpretation effective in 2015*

For the period ended 30 June 2015, the Company 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 January 2015.

The adoption of those standards and interpretations has not resulted in changes to the Company's accounting policies and has not affected the amounts reported for the current period.

*(b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company:*

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 July 2015, and have not been applied in preparing this unaudited condensed interim financial information. None of these is expected to have a significant effect on the unaudited condensed interim financial information of the Company, except the following set out below:

- IFRS 9, 'Financial instruments' (effective on or after 1 January 2018), addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39; and
- IFRS 15, 'Revenues from contracts with customers', annual period beginning on or after 1 January 2017.

**4 Accounting estimates**

The preparation of condensed interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed interim financial information, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2014.

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2015 (continued)**

**5 Financial risk factors**

The Company's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The condensed interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the annual financial statements as at 31 December 2014. There have been no changes in the risk management policies since year end.

**6 Operating segment information**

The Company has only one reportable segment namely, leasing activities, all of which are carried out in the Sultanate of Oman. Although the Company has individual and corporate customers, the entire lease portfolio is managed internally as one operating segment. All the Company's funding and costs are common and are not shared between these two portfolios. All relevant information relating to this reportable segment is disclosed in the unaudited condensed interim statement of financial position, unaudited condensed interim statement of comprehensive income and notes to the interim financial information.

**7 Dividends**

The shareholders in the Annual General Meeting held on 25 March 2015 approved a cash dividend of 10% amounting to Rials 2.57 million for the year ended 31 December 2014 (2014 - cash dividend of 10% amounting to Rials 2.51 million for FY-2013) which was paid on 1 April 2015 to Muscat Clearing & Depository Company for distribution to the shareholders and bonus shares of 2.5% amounting to 6,420,207 shares (2013 - 6,263,617 shares).

**8 Other income**

	<b>Quarter ended 30 June 2015 Rials '000</b>	<b>Six months ended 30 June 2015 Rials '000</b>	<b>Quarter ended 30 June 2014 Rials '000</b>	<b>Six months ended 30 June 2014 Rials '000</b>
Penal charges received	64	138	45	142
Income from pre-closed leases	51	101	47	88
Miscellaneous income	112	201	61	109
	<b>227</b>	<b>440</b>	153	339

**9 General and administrative expenses**

	<b>Quarter ended 30 June 2015 Rials '000</b>	<b>Six months ended 30 June 2015 Rials '000</b>	<b>Quarter ended 30 June 2014 Rials '000</b>	<b>Six months ended 30 June 2014 Rials '000</b>
Employee related expenses	839	1,680	766	1,530
Occupancy costs	15	30	13	26
Communication costs	32	56	25	45
Professional fees	21	84	37	58
Advertising and sales promotion	21	41	35	70
Directors' sitting fees	10	20	9	18
Directors' remuneration	48	85	34	69
Other office expenses	114	208	115	220
	<b>1,100</b>	<b>2,204</b>	1,034	2,036

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2015 (continued)**

**10 Taxation**

The Company is liable to income tax in accordance with the income tax law of the Sultanate of Oman at the tax rate of 12% on the taxable profits in excess of Rials 30,000. The reconciliation between the tax expense and the profit before taxation is as follows:

	<b>Quarter ended 30 June 2015 Rials '000</b>	<b>Six months ended 30 June 2015 Rials '000</b>	<b>Quarter ended 30 June 2014 Rials '000</b>	<b>Six months ended 30 June 2014 Rials '000</b>
Profit before taxation	<u>1,592</u>	<u>3,157</u>	1,474	2,872
Income tax expense computed at applicable tax rates	191	375	173	341
Others	1	5	74	91
Taxation expense	<u>192</u>	<u>380</u>	<u>247</u>	<u>432</u>

**Tax liabilities**

	<b>30 June 2015 Rials '000</b>	<b>30 June 2014 Rials '000</b>	<b>31 December 2014 Rials '000</b>
Provision for taxation	422	484	860
Deferred tax liability	124	90	89
Deferred tax asset	<u>(688)</u>	<u>(558)</u>	<u>(628)</u>
	<u>(142)</u>	<u>16</u>	<u>321</u>

Tax assessments up to year 2009 are complete. Assessment for tax years 2010 to 2014 are subject to agreement with the Oman Taxation Authorities. The Directors are of the opinion that the additional taxes assessed, if any, would not be material to the Company's financial position as at 30 June 2015.

**11 Earnings per share**

The calculation of earnings per share is as follows:

	<b>Quarter ended 30 June 2015 Rials '000</b>	<b>Six months ended 30 June 2015 Rials '000</b>	<b>Quarter ended 30 June 2014 Rials '000</b>	<b>Six months ended 30 June 2014 Rials '000</b>
Profit for the period attributable to ordinary shareholders	<u>1,400</u>	<u>2,777</u>	1,227	2,440
Number of shares ('000)	<u>263,228</u>	<u>263,228</u>	263,228	263,228
Earnings per share (Rials)	<u>0.005</u>	<u>0.011</u>	0.005	0.009

Net assets per share and earnings per share at and for the six months period ended 30 June 2015 have been calculated using weighted average shares outstanding for the period. The weighted average shares outstanding for the six months period ended 30 June 2015 are 263,228,510 shares (30 June 2014 were 256,808,303 shares).

**12 Statutory deposit**

The Company is required to maintain a deposit of Rials 170,000 (June 2014 – Rials 130,000 and December 2014 - Rials 170,000) with the Central Bank of Oman (CBO) in accordance with the applicable licensing requirements. During the period, the deposit earned interest at the rate of 1% per annum (2014 – 1.5%).



**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2015 (continued)**

**13 Net investment in financing activities**

	<b>30 June 2015 Rials '000</b>	30 June 2014 Rials '000	31 December 2014 Rials '000
Gross investment in finance leases	205,456	188,956	195,148
Working capital finance	6,281	4,381	5,130
Unearned finance income	<u>(29,480)</u>	<u>(27,740)</u>	<u>(28,377)</u>
	<b>182,257</b>	165,597	171,901
Provision for impairment of lease receivable	<u>(10,923)</u>	<u>(9,213)</u>	<u>(10,026)</u>
Unrecognised contractual income	<u>(1,071)</u>	<u>(944)</u>	<u>(1,006)</u>
	<b><u>170,263</u></b>	<b><u>155,440</u></b>	<b><u>160,869</u></b>

(a) *Unearned finance income:*

	<b>30 June 2015 Rials '000</b>	30 June 2014 Rials '000	31 December 2014 Rials '000
Opening balance	28,377	26,605	26,605
Additions during the period/year	8,830	8,621	17,035
Recognised during the period/year	<u>(7,727)</u>	<u>(7,486)</u>	<u>(15,263)</u>
Closing balance	<b><u>29,480</u></b>	<b><u>27,740</u></b>	<b><u>28,377</u></b>

(b) *Provision for impairment of lease receivable:*

	<b>30 June 2015 Rials '000</b>	30 June 2014 Rials '000	31 December 2014 Rials '000
Opening balance	10,026	8,388	8,388
Provided during the period/year	1,541	1,634	2,615
Released during the period/year	<u>(644)</u>	<u>(805)</u>	<u>(977)</u>
Written off during the period/year	-	(4)	-
Closing balance	<b><u>10,923</u></b>	<b><u>9,213</u></b>	<b><u>10,026</u></b>

(c) *Unrecognised contractual income:*

	<b>30 June 2015 Rials '000</b>	30 June 2014 Rials '000	31 December 2014 Rials '000
Opening balance	1,006	956	956
Additions during the period/year	226	205	283
Recognised during the period/year	<u>(161)</u>	<u>(217)</u>	<u>(233)</u>
Closing balance	<b><u>1,071</u></b>	<b><u>944</u></b>	<b><u>1,006</u></b>

(d) Contractual income is not recognised by the Company on impaired finance leases to comply with the rules, regulations and guidelines issued by the Central Bank of Oman. As at 30 June 2015, net investment in financing leases where contractual income has not been recognised was Rials 11.5 million (30 June 2014 - Rials 10.1 million, 31 December 2014 - Rials 10.53 million).

**14 Property pending sale**

Property pending sale represents land and buildings acquired by the Company in part settlement of amounts due by borrower following the conclusion of all credit recovery procedures available to the Company. These properties are shown at the lower of costs and net realisable values.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2015 (continued)

15 Property and equipment

	Freehold land Rials '000	Buildings Rials '000	Furniture, fixtures and equipment Rials '000	Motor vehicles Rials '000	Total Rials '000
<b>At 30 June 2015</b>					
<b>Cost or valuation</b>					
At 1 January 2015	955	300	1,271	145	2,671
Additions	-	-	56	-	56
Revaluation of building	-	300	-	-	300
<b>At 30 June 2015</b>	<b>955</b>	<b>600</b>	<b>1,327</b>	<b>145</b>	<b>3,027</b>
<b>Accumulated depreciation</b>					
At 1 January 2015	-	298	1,075	144	1,517
Charge for the period	-	10	50	-	60
<b>At 30 June 2015</b>	<b>-</b>	<b>308</b>	<b>1,125</b>	<b>144</b>	<b>1,577</b>
<b>Net book value</b>					
<b>At 30 June 2015</b>	<b>955</b>	<b>292</b>	<b>202</b>	<b>1</b>	<b>1,450</b>
At 30 June 2014					
Cost or valuation					
At 1 January 2014	955	300	1,149	170	2,574
Additions	-	-	75	-	75
Disposals	-	-	-	(25)	(25)
At 30 June 2014	955	300	1,224	145	2,624
Accumulated depreciation					
At 1 January 2014	-	255	866	125	1,246
Charge for the period	-	21	110	24	155
Disposals	-	-	-	(25)	(25)
At 30 June 2014	-	276	976	124	1,376
Net book value					
At 30 June 2014	955	24	248	21	1,248
At 31 December 2014					
Cost or valuation					
At 1 January 2014	955	300	1,149	170	2,574
Additions	-	-	132	-	132
Disposals	-	-	(10)	(25)	(35)
At 31 December 2014	955	300	1,271	145	2,671
Accumulated depreciation					
At 1 January 2014	-	255	866	125	1,246
Charge for the year	-	43	219	44	306
Disposals	-	-	(10)	(25)	(35)
At 31 December 2014	-	298	1,075	144	1,517
Net book value					
At 31 December 2014	955	2	196	1	1,154

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2015 (continued)**

**16 Share capital**

The authorised share capital of the Company comprises 300,000,000 ordinary shares of baizas 100 each (30 June and 31 December 2014 - 300,000,000 ordinary shares of baizas 100 each). The Company's issued and fully paid-up share capital amounts to 263,228,510 ordinary shares of baizas 100 each (30 June and 31 December 2014 - 256,808,303 ordinary shares of baizas 100 each).

**17 Creditors and accruals**

	<b>30 June 2015 Rials '000</b>	30 June 2014 Rials '000	31 December 2014 Rials '000
Creditors	<b>5,188</b>	3,993	3,508
Accruals and other liabilities	<b>867</b>	624	1,097
	<b>6,055</b>	4,617	4,605

**18 Bank borrowings**

	<b>30 June 2015 Rials '000</b>	30 June 2014 Rials '000	31 December 2014 Rials '000
Overdrafts	<b>95</b>	733	480
Short-term loans	<b>72,778</b>	77,041	74,434
Long-term loans	<b>39,710</b>	26,447	26,403
	<b>112,583</b>	104,221	101,317

**19 Cash and cash equivalents**

	<b>30 June 2015 Rials '000</b>	30 June 2014 Rials '000	31 December 2014 Rials '000
Cash and bank balances	<b>1,747</b>	3,883	1,328
Bank overdrafts	<b>(95)</b>	(733)	(480)
	<b>1,652</b>	3,150	848

**20 Fixed deposits**

The Company has fixed deposits from corporate entities based in Oman amounting to Rials 17.22 million, (30 June 2014 - Rials 17.2 million and 31 December 2014 - Rials 19.77 million) with tenures ranging from 1 to 2 years, as per guidelines issued by the Central Bank of Oman. These deposits carry interest rates between 2.1 % to 4.25 % (30 June 2014 - 3% to 4.5% and 31 December 2014 - 2.75% and 4.35%) per annum. The carrying amount includes interest accrued till the end of the reporting period.

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2015 (continued)**

**21 Related parties**

The Company entered into transactions with entities over which certain directors are able to exert significant influence. Such transactions are at mutually agreed terms. Significant related party transactions during the period were as follows:

	<b>Six months ended 30 June 2015 Rials '000</b>	<b>Six months ended 30 June 2014 Rials '000</b>
General and administration overheads	2	1
<b>Payments to directors (note 9)</b>		
Sitting fees	20	18
Remuneration	85	69
	<b>105</b>	<b>87</b>
<b>Period end balances</b>		
Net investment in financing activities	18	-
<b>Remuneration to key members of management during the period</b>		
Salaries and other benefits (top 5 employees)	376	339
Advances and net investment in leases	34	38

**22 Maturity analysis of significant assets and liabilities**

<b>At 30 June 2015</b>	<b>Up to 1 month Rials '000</b>	<b>&gt; 1 month to 1 year Rials '000</b>	<b>&gt; 1 year to 5 years Rials '000</b>	<b>Non-fixed maturity Rials '000</b>	<b>Total Rials '000</b>
<b>Assets</b>					
Cash and bank balances	1,747	-	-	-	1,747
Statutory deposit	-	-	-	170	170
Net investment in financing activities	5,413	54,122	110,728	-	170,263
Advances and prepayments	-	1,758	-	-	1,758
Property pending sale	-	96	-	-	96
Tax asset - net	-	142	-	-	142
Property and equipment	-	-	-	1,450	1,450
<b>Total assets</b>	<b>7,160</b>	<b>56,118</b>	<b>110,728</b>	<b>1,620</b>	<b>175,626</b>
<b>Equity</b>					
Equity	-	-	-	39,220	39,220
<b>Liabilities</b>					
Bank borrowings and fixed deposits	23,340	60,718	45,749	-	129,807
Creditors and accruals	6,055	-	-	544	6,599
<b>Total equity and liabilities</b>	<b>29,395</b>	<b>60,718</b>	<b>45,749</b>	<b>39,764</b>	<b>175,626</b>
<b>Liquidity gap</b>	<b>(22,235)</b>	<b>(4,600)</b>	<b>64,979</b>	<b>(38,144)</b>	
<b>Cumulative liquidity gap</b>	<b>(22,235)</b>	<b>(26,835)</b>	<b>38,144</b>	<b>-</b>	

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2015 (continued)**

**22 Maturity analysis of significant assets and liabilities (continued)**

At 30 June 2014	Up to 1 month Rials '000	> 1 month to 1 year Rials '000	> 1 year to 5 years Rials '000	Non-fixed maturity Rials '000	Total Rials '000
<b>Assets</b>					
Cash and bank balances	3,883	-	-	-	3,883
Statutory deposit	-	-	-	130	130
Net investment in financing activities	5,370	50,402	99,668	-	155,440
Advances and prepayments	-	1,782	-	-	1,782
Property pending sale	-	131	-	-	131
Property and equipments	-	-	-	1,248	1,248
<b>Total assets</b>	<b>9,253</b>	<b>52,315</b>	<b>99,668</b>	<b>1,378</b>	<b>162,614</b>
<b>Equity</b>					
Equity	-	-	-	35,984	35,984
<b>Liabilities</b>					
Bank borrowings and fixed deposits	18,499	70,291	32,646	-	121,436
Creditors and accruals	4,617	-	-	561	5,178
Tax liability	-	16	-	-	16
<b>Total equity and liabilities</b>	<b>23,116</b>	<b>70,307</b>	<b>32,646</b>	<b>36,545</b>	<b>162,614</b>
<b>Liquidity gap</b>	<b>(13,863)</b>	<b>(17,992)</b>	<b>67,022</b>	<b>(35,167)</b>	
<b>Cumulative liquidity gap</b>	<b>(13,863)</b>	<b>(31,855)</b>	<b>35,167</b>	<b>-</b>	

At 31 December 2014	Up to 1 month Rials '000	> 1 month to 1 year Rials '000	> 1 year to 5 years Rials '000	Non-fixed maturity Rials '000	Total Rials '000
<b>Assets</b>					
Cash and bank balances	1,328	-	-	-	1,328
Statutory deposit	-	-	-	170	170
Net investment in financing activities	5,815	51,365	103,689	-	160,869
Advances and prepayments	-	1,648	-	-	1,648
Property pending sale	-	131	-	-	131
Property and equipment	-	-	-	1,154	1,154
<b>Total assets</b>	<b>7,143</b>	<b>53,144</b>	<b>103,689</b>	<b>1,324</b>	<b>165,300</b>
<b>Equity and Liabilities</b>					
Equity	-	-	-	38,747	38,747
<b>Liabilities</b>					
Bank borrowings and fixed deposit	20,479	67,494	33,112	-	121,085
Creditors and accruals	4,605	-	-	-	4,605
Staff terminal benefits	-	242	-	300	542
Tax liabilities	-	860	-	(539)	321
<b>Total equity and liabilities</b>	<b>25,084</b>	<b>68,596</b>	<b>33,112</b>	<b>38,508</b>	<b>165,300</b>
<b>Liquidity gap</b>	<b>(17,941)</b>	<b>(15,452)</b>	<b>70,577</b>	<b>(37,184)</b>	
<b>Cumulative liquidity gap</b>	<b>(17,941)</b>	<b>(33,393)</b>	<b>37,184</b>	<b>-</b>	