

**ABDULLAH ABDUL MOHSIN AL-
KHODARI SONS COMPANY**
(A Saudi Joint Stock Company)

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED
31 DECEMBER, 2015**

ABDULLAH ABDUL MOHSIN AL-KHODARI SONS COMPANY
(A Saudi Joint Stock Company)

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER, 2015

INDEX	Pages
Independent auditor's report	2
Balance sheet	3
Statement of income	4
Statement of cash flows	5
Statement of changes in shareholders' equity	6
Notes to the financial statements	7 – 23



Dr. Mohamed Al-Amri & Co.
Accountants & Consultants

P.O. Box 2590, Dammam 31461
Tel.: +966 13 834 4311
Fax: +966 13 833 8553
info@alamri.com

INDEPENDENT AUDITOR'S REPORT

To The Shareholders of
Abdullah Abdul Mohsin Al-Khodari Sons Company
(A Saudi Joint Stock Company)

Scope of audit:

We have audited the accompanying balance sheet of Abdullah Abdul Mohsin Al-Khodari Sons Company (A Saudi Joint Stock Company) ("the company") as at 31 December 2015 and the related statements of income, cash flows and changes in shareholders' equity for the year then ended, and the attached notes 1 to 32 which form an integral part of these financial statements. These financial statements are the responsibility of the company's management and have been prepared by them in accordance with the provisions of Article 123 of the Regulations for Companies and submitted to us together with all the information and explanations which we required. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the Kingdom of Saudi Arabia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable degree of assurance to enable us to express an opinion on the financial statements.

Unqualified opinion:

In our opinion, the financial statements taken as a whole:

- 1) present fairly, in all material respects, the financial position of the company as at 31 December 2015 and the results of its operations and its cash flows for the year then ended in accordance with accounting standards generally accepted in the Kingdom of Saudi Arabia.
- 2) comply with the requirements of the Regulations for Companies and the company's by-laws in so far as they affect the preparation and presentation of the financial statements.

For Dr. Mohamed Al-Amri & Co.

Gihad M. Al-Amri
Certified Public Accountant
Registration No. 362




February 08, 2016-G
Rabi 'II, 29, 1437-H

ABDULLAH ABDUL MOHSIN AL-KHODARI SONS COMPANY
(A Saudi Joint Stock Company)

BALANCE SHEET
AS AT 31 DECEMBER, 2015

ASSETS	Note	2015 <u>SR</u>	2014 <u>SR</u>
CURRENT ASSETS:			
Cash and cash equivalents	3	111,465,043	164,702,675
Accounts receivable	4	657,525,485	612,678,572
Advances to suppliers, prepayments and other current assets	5	309,926,536	212,301,958
Value of work executed in excess of billings	6	1,571,892,703	1,359,674,280
Amounts due from related parties	7(a)	15,154,374	2,918,162
Inventories	8	71,273,376	98,086,202
Assets held for sale	9	14,346,136	19,074,884
TOTAL CURRENT ASSETS		<u>2,751,583,653</u>	<u>2,469,436,733</u>
NON CURRENT ASSETS:			
Investments in subsidiaries	10	4,292,191	4,292,191
Mobilization costs	11	18,772,863	30,663,180
Long term deposits	12	31,124,259	26,709,607
Property, equipment and vehicles	13	443,382,984	583,348,442
TOTAL NON-CURRENT ASSETS		<u>497,572,297</u>	<u>645,013,420</u>
TOTAL ASSETS		<u>3,249,155,950</u>	<u>3,114,450,153</u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Accounts payable	14	530,351,612	371,584,362
Accrued expenses and other current liabilities		297,047,492	125,286,160
Advances from customers		62,121,860	102,839,748
Amounts due to related parties	7(b)	23,204,270	25,105,848
Provision for zakat	15	8,383,386	7,318,814
Short term loans	16	24,575,955	62,860,251
Current portion of term loans	17	441,117,348	401,520,716
Dividends payable	18	1,663,647	1,663,647
TOTAL CURRENT LIABILITIES		<u>1,388,465,570</u>	<u>1,098,179,546</u>
NON CURRENT LIABILITIES:			
Term loans	17	638,816,460	899,440,817
Advances from customers		126,885,224	159,646,191
Employees' end of service benefits	19	66,542,235	69,633,919
Loan from parent company	20	135,000,000	-
Loan from an affiliate		4,050,000	3,750,000
TOTAL NON-CURRENT LIABILITIES		<u>971,293,919</u>	<u>1,132,470,927</u>
TOTAL LIABILITIES		<u>2,359,759,489</u>	<u>2,230,650,473</u>
SHAREHOLDERS' EQUITY:			
Share capital	21	531,250,000	531,250,000
Statutory reserve		70,988,856	67,652,928
Retained earnings		287,157,605	284,896,752
TOTAL SHAREHOLDERS' EQUITY		<u>889,396,461</u>	<u>883,799,680</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>3,249,155,950</u>	<u>3,114,450,153</u>


Kailash Sadangi
Chief Financial Officer


Ali Al-Khodari
Authorised Board Member


Fawwaz Al-Khodari
Chief Executive Officer


The accompanying notes 1 to 32 form an integral part of these financial statements

ABDULLAH ABDUL MOHSIN AL-KHODARI SONS COMPANY
(A Saudi Joint Stock Company)

STATEMENT OF INCOME
FOR THE YEAR ENDED 31 DECEMBER, 2015

	Notes	2015 <u>SR</u>	2014 <u>SR</u>
Revenues	29	1,569,938,925	1,737,304,534
Direct costs		(1,451,963,656)	(1,584,600,154)
GROSS PROFIT	29	117,975,269	152,704,380
EXPENSES			
Selling and marketing expenses	23	(15,102,826)	(16,254,174)
General and administration expenses	24	(68,159,276)	(72,422,604)
INCOME FROM MAIN OPERATIONS		34,713,167	64,027,602
Other income, net	25	47,727,095	77,465,217
Financial charges		(45,649,750)	(37,536,055)
INCOME BEFORE ZAKAT		36,790,512	103,956,764
Zakat	15	(3,431,231)	(2,782,536)
INCOME FOR THE YEAR		33,359,281	101,174,228
Earnings per share from main operations	28	0.65	1.21
Earnings per share from net income	28	0.63	1.90
(Loss) / Earnings per share from other activities	28	(0.02)	0.69
Weighted average number of shares outstanding	21	53,125,000	53,125,000


Kailash Sadangi
Chief Financial Officer


Ali Al-Khodari
Authorised Board Member


Fawwaz Al-Khodari
Chief Executive Officer


The accompanying notes 1 to 32 form an integral part of these financial statements.

ABDULLAH ABDUL MOHSIN AL-KHODARI SONS COMPANY
(A Saudi Joint Stock Company)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER, 2015

	Notes	2015 <u>SR</u>	2014 <u>SR</u>
OPERATING ACTIVITIES:			
Income before zakat		36,790,512	103,956,764
<i>Adjustments for:</i>			
Depreciation	13	144,820,671	192,638,000
Amortisation of mobilization cost	11	14,920,441	13,274,818
Provision for employees' end of service benefits	19	24,538,164	24,257,312
Gain on disposal of assets held for sale	25	(41,064,354)	(71,194,536)
Financial charges		45,649,750	37,536,055
		225,655,184	300,468,413
Changes in operating assets and liabilities:			
Accounts receivables		(57,083,125)	154,986,384
Advances, prepayments and other current assets		(97,624,578)	86,292,985
Inventories		26,812,826	2,069,634
Value of work executed in excess of billings		(212,218,423)	(349,823,933)
Accounts payables		156,865,672	256,849,812
Accrued expenses and other current liabilities		172,061,332	(64,141,818)
Advances from customers		(73,478,855)	(54,402,735)
Billings in excess of the value of works executed		-	(1,908,983)
Long term deposits		(4,414,652)	(26,709,607)
Net cash from operations		136,575,381	303,680,152
Financial charges paid		(45,649,750)	(37,536,055)
Zakat paid	15	(2,366,659)	(2,737,887)
Employees' end of service benefits paid	19	(27,629,848)	(19,829,466)
Net cash from operating activities		60,929,124	243,576,744
INVESTING ACTIVITIES:			
Purchase of property, equipment and vehicles	13	(103,143,078)	(338,797,393)
Proceeds from disposal of assets held for sale		144,080,967	205,436,114
Mobilization cost incurred	11	(3,030,124)	(16,135,584)
Net cash from / (used in) investing activities		37,907,765	(149,496,863)
FINANCING ACTIVITIES:			
Movement in short term and long term loans		(259,312,021)	(89,932,693)
Loan from parent company received	20	135,000,000	-
Dividend paid	18	(26,562,500)	(26,562,500)
Director's remuneration paid	22	(1,200,000)	(1,200,000)
Net cash used in financing activities		(152,074,521)	(117,695,193)
DECREASE IN CASH AND CASH EQUIVALENTS		(53,237,632)	(23,615,312)
Bank balances and cash at the beginning of the year		164,702,675	188,317,987
BANK BALANCES AND CASH AT THE END OF THE YEAR		111,465,043	164,702,675


Kailash Sadangi
Chief Financial Officer


Ali Al-Khodari
Authorised Board Member


Fawwaz Al-Khodari
Chief Executive Officer

The accompanying notes 1 to 32 form an integral part of these financial statements.


ABDULLAH ABDUL MOHSIN AL-KHODARI SONS COMPANY
(A Saudi Joint Stock Company)

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER, 2015


	Share capital SR	Statutory reserve SR	Retained earnings SR	TOTAL SR
Balance at 31 December, 2013	531,250,000	57,535,505	221,602,447	810,387,952
Net income for the year	-	-	101,174,228	101,174,228
Transferred to statutory reserve	-	10,117,423	(10,117,423)	-
Dividends (note 18)	-	-	(26,562,500)	(26,562,500)
Directors' remuneration (note 22)	-	-	(1,200,000)	(1,200,000)
Balance at 31 December, 2014	531,250,000	67,652,928	284,896,752	883,799,680
Net income for the year	-	-	33,359,281	33,359,281
Transferred to statutory reserve	-	3,335,928	(3,335,928)	-
Dividends (note 18)	-	-	(26,562,500)	(26,562,500)
Directors' remuneration (note 22)	-	-	(1,200,000)	(1,200,000)
Balance at 31 December, 2015	531,250,000	70,988,856	287,157,605	889,396,461



Kailash Sadangi
Chief Financial Officer



Ali Al-Khodari
Authorised Board Member



Fawwaz Al-Khodari
Chief Executive Officer

The accompanying notes 1 to 32 form an integral part of these financial statements.

ABDULLAH ABDUL MOHSIN AL-KHODARI SONS COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2015

1. ORGANIZATION AND ACTIVITIES

Late Sheikh Abdullah Abdul Mohsin Al-Khodari founded a sole proprietorship in the Kingdom of Saudi Arabia in 1966 as general contracting. It was converted to a Saudi limited partnership under the name of Abdullah Abdul Mohsin Al-Khodari Sons Company on 25 Rajab 1412H corresponding to 30 January 1992. It was again converted into a Saudi Closed Joint Stock Company in accordance with Ministerial Resolution Number 152/Q dated 16 Jumad Awal 1430H (corresponding to 11 May 2009).

On 27 June 2010, Capital Market Authority accepted the application of the management of the Company for initial public offering of 12.75 million shares at Saudi Riyal 48 per share with the subscription date from 4 to 10 October 2010. From 23 October 2010, the shares of the Company have been listed at Saudi stock exchange.

The Company is registered in Saudi Arabia under Commercial Registration number 2050022550. The following are the details of the branches of the Company:

S. No.	Commercial Registration Number of Branch	Branch Location	Commercial Registration Expiry Date
1	2055010732	Al-Jubail, Kingdom of Saudi Arabia	19/07/1440H
2	2051022661	Al-Khobar, Kingdom of Saudi Arabia	19/02/1439H
3	2050046483	Al-Dammam, Kingdom of Saudi Arabia	19/06/1440H
4	4700004976	Yanbu, Kingdom of Saudi Arabia	19/06/1440H
5	2051020011	Al-Khobar, Kingdom of Saudi Arabia	19/06/1437H
6	4030091835	Jeddah Kingdom of Saudi Arabia	19/06/1440H
7	4650023682	Al-Madina Al-Munawara, Kingdom of Saudi Arabia	19/06/1440H
8	2050055132	Al-Dammam, Kingdom of Saudi Arabia	17/05/1439H
9	2051022869	Al-Khobar, Kingdom of Saudi Arabia	13/06/1439H
10	CN-1207723	Abu Dhabi, United Arab Emirates	01/12/2016G
11	EXT-707	Republic of Ghana	21/05/2015G
12	343067	State of Kuwait	03/06/2016G
13	1010366806	Al-Riyadh, Kingdom of Saudi Arabia	27/04/1439H
14	86824-1	Kingdom of Bahrain	12/09/2016G

The Company is engaged in the following activities:

- General contracting works related to construction, renovation and demolition, roads, water and sewage system works, mechanical works, marine works, dams and well drilling.
- Maintenance and operation of roads and tunnels, irrigation sewage and dams, airports, power plants--sewage systems, training and educational centers, playgrounds, provisional and permanent exhibitions.
- Janitorial services, municipality works, commercial and residential building cleaning – landscaping, park cleaning and maintenance, disposal of wastes--cleaning of petroleum tanks and pipes.
- Air conditioning and refrigeration works.
- Travel and tourism.
- Cargo haulage.
- Publicity and advertisement.
- Management and operation of hospitals and health centers.
- Training centers.
- Management of hazardous industrial wastes.
- Manufacturing of waste squeezing equipment for vehicles, water and diesel tanks, waste containers, different trailers, cement tanks, concrete moulds, arms for cranes, chassis, water boilers, pressure systems, heat exchangers, cement mixers, chinaware, electric bulbs and paraffin wax.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER, 2015

1. ORGANIZATION AND ACTIVITIES (continued)

- Wholesale and retail trade of building materials, electric items, iron and steel, copper, lead, aluminum, hardware, medical and surgical equipment, hospital requirements, communication systems, cameras and accessories, electronic calculators, safety equipment, watches, glasses, industrial tools and equipment, road construction equipment, sewage treatment equipment, industrial cleaning equipment, industrial equipment control systems, cement factory equipment, gypsum factory equipment, textile machines, heat exchangers, truck mounted cement mixers, axle fans, tunnel ventilation equipment, sound proof systems, agricultural machines, vehicles and spare parts, decoration items, chemical materials for industrial works, industrial equipment, chemical materials for sewage treatment, oils collection, treatment and burning of gases resulting from waste burial, indirect fans, emergency ventilation, engineering, fans, industrial jet, complete air tunnels, examination platforms, boilers and pressure regulators, petrochemical parts and equipment, acoustic cleaners, industrial blowers, gypsum machines, electrical and thermal probes, equipment for industry/roads/construction, generators and turbines, stoves, stacks and rust removal machines.
- Construction, operation and maintenance of power plants, electrical utilities, desalination plants, sewerage treatment plants, petrochemical factories, gas and oil refineries, cement factories, industrial facilities.
- Industrial work contracts related to construction of factories, extension of oil and gas pipelines and petrochemical works.
- Commercial services related to brokerage other than exchange and real estate works.
- Commercial agencies, after registration of each agency with the ministry of commerce.
- Operation and maintenance of electrical and electronic systems and computers.
- Import and export services, marketing for others, cooked and uncooked food services, inspection interview services, packaging and shipment.
- Maintenance and repair of cars.
- Wholesale and retail trading/renting of light and heavy equipment.
- Water works, sewerage, maintenance, landscaping and cleaning contracts.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared on the accrual basis of accounting, in accordance with generally accepted accounting standards applicable in the Kingdom of Saudi Arabia. The significant accounting policies adopted in the preparation of these financial statements are as follows:

Accounting convention

The financial statements are prepared under the historical cost convention.

Use of estimates

The preparation of financial statements in accordance with generally accepted accounting standards requires the use of estimates and judgments which might affect the valuation of recorded assets, liabilities and the disclosure of contingencies in the notes to the financial statements at the balance sheet date and the reported amounts of revenues and expenses during the year. Although these estimates are based on the best information available to the management at the time of issuing the financial statements, the actual results might differ from those estimates.

Accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years, if the revision affects both current and future years. The significant areas of estimation uncertainty and critical adjustments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

- estimated useful lives of and residual value of property, plant and equipment
- estimated costs of long term contracts
- provision for doubtful debts
- provisions and accruals
- provision for slow moving inventories

ABDULLAH ABDUL MOHSIN AL-KHODARI SONS COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER, 2015

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents

Cash and cash equivalents consist of bank balances and cash in hand and short term deposits that are readily convertible into known amounts of cash and have original maturities of three months or less.

Accounts receivable

Accounts receivable are stated at original invoice amount less a provision for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

Inventories

Inventories are stated at the lower of cost and market value. Cost is determined using purchase cost on a weighted average basis

Assets held for sale

Property, equipment and vehicles are classified as assets held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Assets held for sale are measured at the lower of carrying amount and fair value less costs to sell. Property, equipment and vehicles once classified as held for sale are not depreciated.

Investments

Investments in subsidiaries are accounted for under equity method.

Mobilisation costs

Direct costs incurred to commence new contracts are deferred and amortised over the period of related contracts on a straight line method.

Property, equipment and vehicles/depreciation

Property, equipment and vehicles are initially recorded at cost and are stated at cost less accumulated depreciation and any impairment in value. Capital work in progress is not depreciated. The cost of property, equipment and vehicles is depreciated on a straight line basis over the estimated useful lives of the assets. Following are the estimated useful lives of the assets for the calculation of depreciation:

Buildings, portables and hangers	4-20 years
Machinery, equipment and tools	4-10 years
Construction vehicles	4-6.67 years
Office equipment and furniture	4-6.67 years

Expenditures for repair and maintenance are charged to income. Improvements that increase the value or materially extend the life of the related assets are capitalized.

Impairment of Non-Current Assets

At each balance sheet date, the carrying amounts of non-current assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

ABDULLAH ABDUL MOHSIN AL-KHODARI SONS COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER, 2015

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of Non-Current Assets (continued)

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. Impairment loss is recognized as an expense in the statement of income immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but the increased carrying amount does not exceed the carrying amount that would have been determined, had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized as income immediately in the statement of income.

Accounts payable and accruals

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Provision for obligation

A provision is recognized in the balance sheet when the Company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Employees' end of service benefits

Provision is made for amounts payable according to Company's policy applicable to employees' accumulated periods of service at the balance sheet date.

Statutory reserve

As required by Saudi Arabian Regulations of the Companies, 10% of the net income for the period has been transferred to the statutory reserve. The Company may resolve to discontinue such transfers when the reserve totals 50% of the capital. The reserve is not available for distribution.

Zakat

Zakat is provided for in accordance with Saudi Arabian fiscal regulations. The provision is charged to the statement of income. Additional amounts, if any, that become due on finalization of assessment are accounted for in the period in which assessment is finalised.

Foreign currencies

Transactions in foreign currencies are recorded in Saudi Riyals at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the interim statement of income.

Segmental reporting

A segment is a distinguishable component of the Company that is engaged either in providing products or services (a business segment) or in providing products or services within a particular economic environment (a geographic segment), which is subject to risks and rewards that are different from those of other segments.

Earnings per share

Basic earnings per share from net income is calculated by dividing the net income for the year by the weighted average number of shares outstanding during the year.

Basic earnings per share from main operations is calculated by dividing income from main operations for the year by the weighted average of number of shares outstanding during the year.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER, 2015

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

Trading revenue

Sales revenue represents the invoiced value of goods supplied and services rendered by the Company during the year. Services performed but not billed at the balance sheet date are classified as "accrued income".

Contracting revenue

The Company principally operates fixed price contracts. If the outcome of such a contract can be reliably measured, revenue associated with the construction contract is recognised by reference to the percentage of completion method of each contract activity at year end.

The outcome of a construction contract can be estimated reliably when:

- (i) the total contract revenue can be measured reliably;
- (ii) it is probable that the economic benefits associated with the contract will flow to the entity;
- (iii) the costs to complete the contract and the stage of completion at the balance sheet date can be measured reliably; and
- (iv) the contract costs attributable to the contract can be clearly identified and measured reliably so that actual contract costs incurred can be compared with prior estimates

When the outcome of a construction cannot be estimated reliably (principally during early stages of a contract), contract revenue is recognised only to the extent of costs incurred that are expected to be recoverable.

In applying the percentage of completion method, revenue recognised corresponds to the total contract revenue multiplied by the actual completion rate based on the proportion of total contract costs incurred to date and the estimated cost to complete.

When the stage of completion is determined by reference to the contract costs incurred up to the reporting date, only those contract costs that reflect work performed are included in costs incurred up to the reporting date. The following costs are excluded from contract costs:

- i) Contract costs that relate to future activity on the contract, such as costs of materials that have been delivered to a contract site or set aside for use in a contract but not yet installed, used or applied during contract performance, unless the materials have been made especially for the contract.
- ii) Payments made to subcontractors in advance of work performed under the subcontract.

When an uncertainty arises about the collectability of an amount already included in contract revenue, and already recognized in the statement of income, the uncollectable amount or the amount in respect of which recovery has ceased to be probable is recognized as an expense rather than as an adjustment of the amount of contract revenue.

ABDULLAH ABDUL MOHSIN AL-KHODARI SONS COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER, 2015

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Revenue from change orders is recognized when:

- i) The change orders have been approved by the customer; and
- ii) The amount of change order can be measured reliably.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately. The amount of such a loss is determined irrespective of:

- i) Whether or not work has commenced on the contract;
- ii) The stage of completion of contract activity; or
- iii) The amount of profits expected to arise on other contracts, which are not treated as a single construction contract.

Change in the estimate of contract revenue or contract costs or the effect of a change in the estimate of the outcome of a contract, is accounted for as a change in accounting estimate and accordingly accounted for proactively.

Contract costs

Contract costs include costs that relate directly to the specific contract and costs that are attributable to contract activity in general and can be allocated to the contract. Costs that relate directly to a specific contract comprise: site labour costs (including site supervision), costs of materials used in construction, depreciation of equipment used on the contract, costs of design, and technical assistance that is directly related to the contract.

Leasing

Leases are classified as capital leases whenever the terms of the lease transfer substantially all of the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Rentals payable under operating leases are charged to statement of income on a straight-line basis over the term of the operating lease.

Expenses

Selling and marketing expenses are those that relate to project bidding costs and advertising as well as allowance for doubtful debts. All other expenses except for operating costs and financial charges are classified as general and administration expenses.

Fair value

The fair value of commission bearing items is estimated based on discounted cash flows using commission rates for items with similar terms and risk characteristics.

ABDULLAH ABDUL MOHSIN AL-KHODARI SONS COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER, 2015

3. CASH AND CASH EQUIVALENTS

	2015	2014
	<u>SR</u>	<u>SR</u>
Cash in hand	7,743,229	10,809,622
Cash at bank	<u>103,721,814</u>	<u>153,893,053</u>
	<u>111,465,043</u>	<u>164,702,675</u>

4. ACCOUNTS RECEIVABLE

	2015	2014
	<u>SR</u>	<u>SR</u>
Accounts receivable	602,180,808	560,357,544
Less: Provision for doubtful debts	<u>(2,256,173)</u>	<u>(2,157,449)</u>
	<u>599,924,635</u>	<u>558,200,095</u>
Retentions receivable	58,960,499	55,838,126
Less: Provision for doubtful retentions	<u>(1,359,649)</u>	<u>(1,359,649)</u>
	<u>57,600,850</u>	<u>54,478,477</u>
Total accounts receivable - net	<u>657,525,485</u>	<u>612,678,572</u>

At 31 December 2015, the receivable from government authorities represents 73% (2014: 94%) of total accounts and retentions receivable.

As at 31 December 2015, accounts receivable at nominal value of SR 3.6 million (2014: SR 3.5 million) were impaired. Movement in the provision for doubtful debts and retentions was as follows:

	2015	2014
	<u>SR</u>	<u>SR</u>
At the beginning of the year	3,517,098	21,711,589
Charge for the year (note 23)	98,724	3,084,472
Amounts written off	<u>-</u>	<u>(21,278,963)</u>
At the end of the year	<u>3,615,822</u>	<u>3,517,098</u>

As at 31 December 2015, the ageing of unimpaired accounts receivable is as follows:

	Total SR	1-90 days SR	91-180 days SR	181-365 days	Above 1 year
At 31 December, 2015	599,924,635	315,095,629	63,977,209	80,376,119	140,475,678
At 31 December, 2014	558,200,095	254,709,869	55,247,110	58,839,460	189,403,656

ABDULLAH ABDUL MOHSIN AL-KHODARI SONS COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER, 2015

5. ADVANCES TO SUPPLIERS, PREPAYMENTS AND OTHER CURRENT ASSETS

	2015	2014
	<u>SR</u>	<u>SR</u>
Advances to suppliers and subcontractors	200,630,644	158,563,382
Prepaid expenses	32,169,927	27,912,634
Loan to employees	38,112,388	6,915,699
Margin against letters of guarantee	19,230,065	10,719,690
Other current assets	19,783,512	8,190,553
	<u>309,926,536</u>	<u>212,301,958</u>

6. VALUE OF WORK EXECUTED IN EXCESS OF BILLINGS

	2015	2014
	<u>SR</u>	<u>SR</u>
Value of work executed	5,101,004,389	6,731,208,614
Less: progress billings and advances against work executed	<u>(3,529,111,686)</u>	<u>(5,371,534,334)</u>
	<u>1,571,892,703</u>	<u>1,359,674,280</u>

7. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent major shareholders, directors and key management personnel of the Company and entities controlled or significantly influences by such parties. Following is the list of major related parties of the Company:

<i>Name of related party</i>	<i>Nature of relationship</i>
Al Khodari Investment Holding Company	Parent Company
Al Khodari and Sons Company	Affiliate
Al Khodari Heavy Industries	Affiliate
Al Khodari Industrial Trading and Services	Affiliate
Al Khodari Travel and Toursim Agency	Affiliate
Abdullah Abdul Mohsin Al Khodari Sons and Hertel Company	Affiliate
Al Khodari LV Shipping Company Limited	Affiliate
Hammon D'Hondt Middle East Company Limited	Affiliate
Mace Saudi Arabia Company Limited	Affiliate
Fleet Tracking Technology	Affiliate
Karrena Arabia Company Limited	Affiliate
Abdullah Abdul Mohsin Al Khodari Sons Company, Qatar	Subsidiary
Al Khodari International Group for Contracting L.L.C, Kuwait	Subsidiary
Al Khodari International, Abu Dhabi	Subsidiary
Masahaat Al Aqariyah	Affiliate
Madh Real Estate Company	Affiliate
Bahrath Al Dhana Establishment	Affiliate
Fawwaz & Partners Company	Affiliate

Transactions with related parties during the year are as follows:

	2015	2014
	<u>SR</u>	<u>SR</u>
Purchases, services and sub-contracting	(4,891,170)	(12,010,008)
Air tickets	(11,871,023)	(16,845,925)
Expenses recharged to affiliate	821,017	1,631,956
Directors' salaries and other benefits (see below)	(860,000)	(860,000)

ABDULLAH ABDUL MOHSIN AL-KHODARI SONS COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER, 2015

The company paid salary and other benefits to a director in his capacity as executive of the company.

The company has a non-commission bearing loan from an affiliate with no fixed repayment date. Loan from an affiliate is classified under non-current liabilities in balance sheet.

Pricing policies and terms of these transactions are approved by the company's management.

The breakdown of amounts due from and to related parties is as follows:

a) Amounts due from related parties

	2015	2014
	<u>SR</u>	<u>SR</u>
Al Khodari Investment Holding Company	10,195,723	-
Al Khodari Industrial Trading and Services	-	199,326
Hamon D'Hondt Middle East Co. Ltd.	197,392	197,392
Abdullah Abdul Mohsin Al Khodari Sons and Hertel Company	1,616,952	1,200,996
Mace Saudi Arabia Company Limited	1,900,504	-
Other affiliates	1,243,803	1,320,448
	<u>15,154,374</u>	<u>2,918,162</u>

b) Amounts due to related parties

	2015	2014
	<u>SR</u>	<u>SR</u>
Al Khodari Investment Holding Company	-	6,982,914
AL Khodari Heavy Industries	4,923,034	4,497,511
Al-Khodari Travel & Tourism Agency	13,320,740	10,391,869
Fleet Tracking Technology	855,471	381,818
Al Khodari Industrial Trading and Services	174,500	-
Mace Saudi Arabia Company Limited	-	2,464,654
Other affiliates	3,930,525	387,082
	<u>23,204,270</u>	<u>25,105,848</u>

8. INVENTORIES

	2015	2014
	<u>SR</u>	<u>SR</u>
Consumable materials	76,298,597	102,103,436
Spare parts and consumables	116,592	115,786
	<u>76,415,189</u>	<u>102,219,222</u>
(less) provision for obsolete and slow moving items	(5,141,813)	(4,133,020)
	<u>71,273,376</u>	<u>98,086,202</u>

9. ASSETS HELD FOR SALE

	2015	2014
	<u>SR</u>	<u>SR</u>
At the beginning of the year	19,074,884	22,913,847
Transfer from property, equipment and vehicles (note 13)	98,287,865	130,402,615
Disposals	(103,016,613)	(134,241,578)
At the end of the year	<u>14,346,136</u>	<u>19,074,884</u>

ABDULLAH ABDUL MOHSIN AL-KHODARI SONS COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER, 2015

10. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries comprise the following:

	Percentage of holding		2015	2014
	2015	2014	<u>SR</u>	<u>SR</u>
Abdullah Abdul Mohsin Al Khodari Sons Company, Qatar (note 10.1)	100	100	207,640	207,640
Al Khodari International Group for Contracting L.L.C., Kuwait (note 10.1)	99	99	4,009,500	4,009,500
Al Khodari International, Abu Dhabi (note 10.1)	49	49	75,051	75,051
			<u>4,292,191</u>	<u>4,292,191</u>

10.1 Pursuant to the agreements between the company and other partners of the subsidiaries, the company holds effectively 100% interest in these subsidiaries.

10.2 The investments in subsidiaries are not consolidated in these financial statements as the subsidiaries have no business during the year or are considered immaterial in relation to the financial statements taken as a whole.

11. MOBILISATION COSTS

	2015	2014
	<u>SR</u>	<u>SR</u>
Costs:		
At the beginning of the year	68,080,179	51,944,595
Additions during the year	3,030,124	16,135,584
At the end of the year	<u>71,110,303</u>	<u>68,080,179</u>
Amortisation:		
At the beginning of the year	(37,416,999)	(24,142,181)
Amortisation during the year	(14,920,441)	(13,274,818)
At the end of the year	<u>(52,337,440)</u>	<u>(37,416,999)</u>
Net carrying value	<u>18,772,863</u>	<u>30,663,180</u>

The Company incurred mobilisation costs on certain long term contracts. Such costs are amortised over the period of the related contracts on straight line method.

12. LONG TERM DEPOSITS

	2015	2014
	<u>SR</u>	<u>SR</u>
Opening balance	26,709,607	-
Additions during the year	4,414,652	26,709,607
Closing balance	<u>31,124,259</u>	<u>26,709,607</u>

These deposits are against lease of equipment under an operating lease agreement. These deposits will be recovered at the end of the lease term.

ABDULLAH ABDUL MOHSIN AL-KHODARI SONS COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER, 2015

13. PROPERTY, EQUIPMENT AND VEHICLES

	Buildings, portables and hangers SR	Machinery, equipment and tools SR	Construction vehicles SR	Office equipment and furniture SR	Capital work in progress SR	Total 2015 SR	Total 2014 SR
Cost:							
At the beginning of the year	90,979,984	642,015,927	574,753,851	67,870,097	21,149,957	1,396,769,816	1,341,031,445
Additions	22,249	143,974	-	4,199	102,972,656	103,143,078	338,797,393
Transfers	710,799	47,344,548	71,111,600	4,874,058	(124,041,005)	-	-
Transfer to assets held for sale (note 9)	(47,435)	(137,235,188)	(129,982,765)	(339,020)	-	(267,604,408)	(283,059,022)
At the end of the year	91,665,597	552,269,261	515,882,686	72,409,334	81,608	1,232,308,486	1,396,769,816
Depreciation:							
At the beginning of the year	59,726,546	389,180,397	311,992,067	52,522,364	-	813,421,374	773,439,781
Charge for the year	10,170,965	58,664,807	68,602,885	7,382,014	-	144,820,671	192,638,000
Transfer to assets held for sale (note 9)	(47,434)	(85,996,170)	(82,932,733)	(340,206)	-	(169,316,543)	(152,656,407)
At the end of the year	69,850,077	361,849,034	297,662,219	59,564,172	-	788,925,502	813,421,374
Net book amounts:							
At 31 December 2015	21,815,520	190,420,227	218,220,467	12,845,162	81,608	443,382,984	-
At 31 December 2014	31,253,438	252,835,530	262,761,784	15,347,733	21,149,957	583,348,442	-

Capital work in progress mainly represents equipments and motor vehicles under process for registration and insurance.

ABDULLAH ABDUL MOHSIN AL-KHODARI SONS COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER, 2015

14. ACCOUNTS PAYABLE

	2015	2014
	<u>SR</u>	<u>SR</u>
Payable to suppliers	448,804,832	300,546,857
Payable to sub-contractors	81,470,956	49,674,320
Bills payable	75,824	21,363,185
	<u>530,351,612</u>	<u>371,584,362</u>

15. ZAKAT

Charge for the year

The zakat charge for the year consists of:

	2015	2014
	<u>SR</u>	<u>SR</u>
Provision for the year	<u>3,431,231</u>	<u>2,782,536</u>
Charge for the year	<u>3,431,231</u>	<u>2,782,536</u>

Provision is based on the following:

	2015	2014
	<u>SR</u>	<u>SR</u>
Equity	858,900,827	786,689,099
Opening provisions and other adjustments	81,034,037	94,800,532
Book value of long term assets and investment (net of related Financing)	<u>(625,540,893)</u>	<u>(854,877,736)</u>
	314,393,971	26,611,895
Zakatable profit for the year	<u>20,941,464</u>	<u>84,689,526</u>
Zakat base	<u>335,335,435</u>	<u>111,301,421</u>

The differences between the financial and the zakatable results are mainly due to provisions which are not allowed in the calculation of zakatable income.

Movement in provision

The movement in the zakat provision was as follows:

	2015	2014
	<u>SR</u>	<u>SR</u>
At the beginning of the year	7,318,814	7,274,165
Provided during the year	3,431,231	2,782,536
Payments during the year	<u>(2,366,659)</u>	<u>(2,737,887)</u>
At the end of the year	<u>8,383,386</u>	<u>7,318,814</u>

ABDULLAH ABDUL MOHSIN AL-KHODARI SONS COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER, 2015

Status of assessments

Zakat assessments have been agreed with the Department of Zakat and Income Tax (DZIT) upto 2006. The assessments for the years 2007 to 2014 have not yet been raised.

Zakat base has been computed based on the company's understanding of the zakat regulations enforced in the Kingdom of Saudi Arabia. The zakat regulations in Saudi Arabia are subject to different interpretations and a new zakat regulations is expected to be announced in due course. The assessments to be raised by the Department of Zakat and Income Tax (DZIT) could be different from the assessments filed by the Company.

Pursuant to the initial public offering during 2010, the parent company has agreed to pay on behalf of the company to the DZIT any additional zakat liability, which may arise upon the finalization of zakat assessments for the years 2007 through 2009.

16. SHORT TERM LOANS

Short term loans bear commission at the commercial rates and are secured against assignment of proceeds from certain contracts, general assets of the company and promissory notes. During 2010, the facilities were converted to Islamic short term loan facilities.

17. TERM LOANS

During the year 2010, term loans were converted into Tawarruq and Murabaha loans. The loans comprise of project financing repayable upon collection, revolving loans and project financing repayable in fixed periodical installments. These loans are secured against general assets of the company and promissory notes. The project financing loans are additionally covered against assignment of proceeds of the related projects. These loans carry commission at commercial rates. The company is required to comply with certain covenants under certain loan agreements. The position of term loans is as follows:

	2015 SR	2014 SR
Project financing loans repayable upon collection (note (a) below)	600,655,750	814,603,582
Revolving loans (note (b) below)	191,074,614	210,891,536
Project financing loans repayable in periodical installments (note (c) below)	<u>288,203,444</u>	<u>275,466,415</u>
Less: Current portion	1,079,933,808 <u>(441,117,348)</u>	1,300,961,533 <u>(401,520,716)</u>
Non-current portion of term loans	<u>638,816,460</u>	<u>899,440,817</u>

- a) These loans were obtained from various commercial banks and are repayable, based on a percentage ranging from 35% to 55%, out of expected proceeds from the contracts. Accordingly, the current portion includes such loans based on company's estimates of the proceeds expected from future billings.
- b) These loans were drawn up for short term which the management, in view of their working capital requirements, intends to renew for a further period extended beyond 31 December 2015.
- c) These loans are repayable in various fixed periodical installments with last installment due in 2018.

ABDULLAH ABDUL MOHSIN AL-KHODARI SONS COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER, 2015

18. DIVIDENDS PAYABLE

During the year, the company paid dividends of SR 0.5 per share totaling SR 26.56 million (31 December 2014: SR 26.56 million) as resolved by the board of directors and subsequently approved in annual general assembly.

The movement in dividends payable during the year was as follows:

	2015 SR	2014 SR
At the beginning of the year	1,663,647	1,663,647
Dividends approved during the year	26,562,500	26,562,500
Payments made during the year	(26,562,500)	(26,562,500)
At the end of the year	1,663,647	1,663,647

19. EMPLOYEES' END OF SERVICE BENEFITS

	2015 SR	2014 SR
At the beginning of the year	69,633,919	65,206,073
Charge for the year	24,538,164	24,257,312
Payments made during the year	(27,629,848)	(19,829,466)
At the end of the year	66,542,235	69,633,919

20. LOAN FROM PARENT COMPANY

	2015 SR	2014 SR
Loan from parent company	135,000,000	-

On 30 December 2015, the Company has received a non-commission based loan amounting to SR 135 million from its parent company (Abdullah A. M. Al Khodari Sons Investment Holding Co.) for the purpose of funding working capital and capex requirements of the Company. The loan is repayable within a period not exceeding 31 December 2018.

The loan is secured against a promissory note for an amount equaling to the amount of loan.

21. SHARE CAPITAL

Share capital is divided into 53,125,000 shares (2014: 53,125,000 shares) of SR 10 each.

ABDULLAH ABDUL MOHSIN AL-KHODARI SONS COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER, 2015

22. DIRECTORS' REMUNERATION

Under Company's bye-laws, the members of board of directors are entitled to a remuneration of 10% of the net income to the maximum of SR 200,000 per board member, after the distribution of the minimum amount of dividends.

The Company paid directors' remuneration of SR 1.2 million during 2015 (2014: SR 1.2 million) approved by the shareholders in the General Assembly.

23. SELLING AND MARKETING EXPENSES

	2015	2014
	<u>SR</u>	<u>SR</u>
Bidding	12,646,305	11,805,580
Bad debt expense (note 4)	98,724	3,084,472
Advertising	943,780	1,259,763
Others	1,414,017	104,359
	<u>15,102,826</u>	<u>16,254,174</u>

24. GENERAL AND ADMINISTRATION EXPENSES

	2015	2014
	<u>SR</u>	<u>SR</u>
Employee costs	47,692,543	51,007,871
Depreciation	2,846,614	9,138,374
Bonus	3,095,983	1,252,180
Donations	1,125,759	1,168,488
Rent	3,728,573	2,965,012
Professional fees	1,474,509	890,043
Travel	714,038	1,743,602
Insurance	1,118,811	1,152,059
Other	6,362,446	3,104,975
	<u>68,159,276</u>	<u>72,422,604</u>

25. OTHER INCOME, NET

	2015	2014
	<u>SR</u>	<u>SR</u>
Gains on sale of assets held for sale	41,064,354	71,194,536
Rental income	5,108,220	1,504,800
Miscellaneous	1,554,521	4,765,881
	<u>47,727,095</u>	<u>77,465,217</u>

26. CONTINGENT LIABILITIES

The Company's bankers have issued performance guarantees, on behalf of the company, amounting to SR 454.38 million (2014: SR 542.80 million).

ABDULLAH ABDUL MOHSIN AL-KHODARI SONS COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER, 2015

27. OPERATING LEASE COMMITMENTS

The company enters into operating lease arrangements for renting motor vehicles, equipment and housing premises. Leases are negotiated for a period from one to 3 years and rentals are fixed for a period of one to three years.

	2015	2014
	<u>SR</u>	<u>SR</u>
Operating lease rentals recognized as expense	55,441,500	30,314,287

Future rental commitment under operating leases are as follows:

Amounts due within one year	40,854,144	25,382,644
Amounts due between one and five years	50,492,386	44,450,769
	91,346,530	69,833,413

28. EARNINGS PER SHARE

Earnings per share have been calculated based on the weighted average number of shares during the year of 53.125 million shares (2014: 53.125 million shares).

29. SEGMENTAL INFORMATION

Consistent with the company's internal reporting process, business segments have been approved by management in respect of the company's activities. Transactions between the business segments are reported at cost. The company's revenue, gross profit and net assets by business segment, are as follows:

	<i>Contracting</i>	<i>Trading</i>	<i>Total</i>
	<u>SR</u>	<u>SR</u>	<u>SR</u>
	31 December 2015		
Revenues	1,558,714,279	11,224,646	1,569,938,925
Gross profit	114,703,245	3,272,024	117,975,269
Net assets	880,911,522	8,484,939	889,396,461
	31 December 2014		
Revenues	1,728,570,517	8,734,017	1,737,304,534
Gross profit	149,301,747	3,402,633	152,704,380
Net assets	879,020,321	4,779,359	883,799,680

All of the company's operating assets and principal markets of activity are located in the Kingdom of Saudi Arabia.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER, 2015

30. RISK MANAGEMENT

Commission rate risk

Commission rate risk is the risk that the value of financial instruments will fluctuate due to changes in the market commission rates. The company is exposed to commission rate risk on its commission bearing liabilities. To manage the commission rate risk on the loans, the company monitors market commission rate movements and its cost of funding on a regular basis.

Credit risk

Credit risk is the risk that one party will fail to discharge an obligation and will cause the other party to incur a financial loss. A substantial portion of the company's business is with government authorities. The company seeks to manage its credit risk with respect to customers by monitoring outstanding receivables.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. The Company's terms of services and sales require amounts to be paid within 45 to 90 days of the date of billings. Trade payables are normally settled within 30 to 180 days of the date of billings. The Company is determined for significant growth in its operations and focuses on improvement in collections from its customers, borrowing more funds from commercial banks and other sources to manage its liquidity.

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Company undertakes its transactions mainly in Saudi Riyal and United States Dollar. As Saudi Riyals are pegged to US Dollars, balances in US Dollars are not considered to represent significant currency risk

31. FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of bank balances and cash, investments, receivable and amounts due from related parties. Financial liabilities consist of short term loans, dividends payable, term loans, amounts due to related parties, payables and loan from an affiliate.

The fair values of financial assets and liabilities are not materially different from their carrying values at the balance sheet date.

32. COMPARATIVE FIGURES

Certain of the prior year amounts have been reclassified to conform with the presentation in the current year.
