member of

INAA GROUP

AN INTERNATIONAL ASSOCIATION
OF INDEPENDENT ACCOUNTING FIRMS

CNK-HAS
Chartered Accountants

NATIONAL CEMENT COMPANY
(PUBLIC SHAREHOLDING CO.)
DUBAI, UAE

Annual Report and Financial Statements
year ended December 31, 2016

س ان كيه حسين الصايغ شارترد اكاونتنتس

CNK Hussain Alsayegh Chartered Accountants

Suite # 17.06, Dubai World Trade Centre,
Sheikh Zayed Road, P.O.Box 454442
Dubai, United Arab Emirates
Tel.: +971 04 3559533
Fax: +971 04 3559544
E-mail: admin@cnkhas.com
Web: www.cnkhas.com

National Cement Company (Public Shareholding Co.)
Dubai, United Arab Emirates

Audit report and financial statements for the year ended December 31, 2016

Contents | **Page**

شركة الإسمنت الوطنية.ش.م.ع.
National Cement Co. p.s.c.

BOARD OF DIRECTORS REPORT FOR THE YEAR ENDED ON 31.12.2016

Dear Shareholders,

"Assalam Alaikum"

On my and on behalf of the Board of Directors of National Cement Company (PSC), Dubai, we are pleased to welcome you and would like to thank all the shareholders for attending this General Assembly Meeting. It is pleasure to put forward a brief report about the results of the Company based on the Audited Financial Statements for the year 2016.

First : Production

The production of all types of cement for the year 2016 was 1,286,626 metric tons based on the market demand, while the corresponding Sales Value is AED 253,484,000.00 (Two Hundred Fifty Three Million Four Hundred Eight Four Thousand Dirhams Only).

Second : Project

1. **The company received all the necessary equipment for Waste Heat Recovery Project and electric power generation which is the process of receiving the final approvals from the local authorities to begin the equipment erection and implementation of the project. This project is expected to be completed in the middle of the year 2017. The estimated cost for this project is AED 65,000,000.00 (Sixty Five Million Dirhams Only), and the yield of the project will be a total of AED 18,000,000.00 (Eighteen Million Dirhams Only) per year.**

2. **Among raise the operational efficiency using the alternative fuels, National Cement Company has been received the equipments , erected and commissioned successfully and the project's estimated cost is AED 2,800,000.00 (Two Million Eight Hundred Thousand Dirhams Only), and will achieve this project from using alternative energy technology and the best sustainable continuity with the lack of the environment impacts. This has reflected to a yearly saving of AED 7,200,00.00 (Seven Million Two Hundred Thousand Dirhams Only).**

3. **The National Cement Company in the process of development and research in using the liquid waste from the manufacture of several local authorities and the project is estimated to cost up to AED 1,500,000.00 (One Million Five Hundred Thousand Dirhams Only). This project is diverted due to lack of continuous supply of liquid waste.**

Third : Profit

The profit for the year ended 31st December 2016 amounts to AED 89,024,000 (Eighty Nine Million Twenty Four Thousand Dirhams Only). After discussion on the Financial Statements, the Board of Directors has recommended paying dividend and appropriation of profit for the year 2016 as below:

1. A cash payment of 25% of paid-up capital.
2. Since the Statutory Reserve is already 50% of the paid-up capital, there is no need to transfer any further amount.
3. Since the General Reserve is already more than 10% of the paid-up capital, there is no need to transfer any further amount.
4. The Directors' fees have been fixed at AED 250,000.00 (Two Hundred Fifty Thousand Dirhams Only) for each sitting.

Fourth : Balance Sheet

The company has completed its annual accounts and prepared the Financial Statements for the year ended 31.12.2016 and handed it over to the auditors CNK HUSSAIN ALSAYEGH Chartered Accountants to audit and provide their reports and opinion on the Financial Statement.

The Board of Directors on the occasion of closing of accounts of the company would finally like to thank all concerned who have contributed their efforts in development of the company and the express good wishes to the management and employees in their future endeavors.

"Assalam Alaikum"

Mr. ABDULLA AHMED AL-GHURAIR

Chairman

Independent Auditor's Report
To the shareholders of National Cement Company (Public Shareholding Co.), Dubai

Report on the audit of financial statements

Our opinion

We have audited the accompanying financial statements of National Cement Company (Public Shareholding Co.) ("the Company"), which comprise the statement of financial position as at December 31, 2016, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended, and notes to the financial statements and a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of National Cement Company (Public Shareholding Co.), Dubai as at December 31, 2016 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (the "IESBA Code") and the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our audit approach

Overview

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Impairment on Available for Sale (AFS) investments *Refer to note 3 and 7 to the financial statements*	
The Company has made investments in various Structured Products/ Equities as disclosed in note 7 to these financial statements, which are classified as Available For Sale (AFS) investments. The Company determines whether AFS investments require impairment if there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgement. In making this judgement, the Company evaluates factors such as change in market rate of the equity and other instruments since the purchase date of such instrument, the market scenario and the financial performance of the issuer. As at year end, the Mark to Market (MTM) loss on such investments is AED 2.03 million and cumulative MTM loss is AED 32.44 million. The management reviews the current position of such investments based on economic condition of countries in which investments are made and past trends of realization of similar products on maturity or on realization. The Company has not incurred substantial loss on maturity or on realization of these investments during the year or in the past years. Based on such assessment, the management considers the impairment on account of MTM losses on AFS investments as temporary in nature and has thus not reclassified the same through statement of comprehensive income, but accounted the same in Fair Value Reserve under Equity. Impairment is a subjective area due to the level of judgement applied by the management in determining the impairment allowance. Due to the significance of AFS investments and the related estimation uncertainty, this is considered as key audit matter.	As part of the audit process, we have obtained and reviewed the market value of structured products/ Equities as on December 31, 2016 as confirmed independently and compared with its acquisition value as per individual term sheets. We have also compared the Company's assumption for collective impairment allowances to externally available industry, financial and economic data. We also assessed the adequacy of the Company's disclosure in these respects.

Suite # 17.06, Dubai World Trade Centre, Sheikh Zayed Road, P.O.Box 454442, Dubai, U.A.E.
Tel.: +971-04-3559533 • Fax: +971-04-3559544 • E-mail: admin@cnkhas.com • Web: www.cnkhas.com

Key audit matter	How our audit addressed the key audit matter
Exposure to receivables and investment in an associate *Refer to note 9 and 12 to the financial statements*	
As at year end, the company has an exposure of AED 392 million (2015: AED 347 million) in an associate consisting of AED 316 million (2015: AED 316 million) by way of loans and AED 76 million (2015: AED 31 million) in receivables. There has been no recovery of the last 3 loan instalments amounting to AED 92 million and there has been a significant increase in balances of receivables since past two years. The management believes that based on the operating performance of the associate, the outstanding balance of amounts due from the associate are good and fully recoverable. Due to the significance of the above balances which represents 24% of Company's total net assets, this is considered a key audit matter.	To audit the balances due from associate, loan receivable from associate and the related income, we performed a combination of tests of controls, analytical review procedures and specific substantive audit procedures to test balances due from associate and transactions. Balances were confirmed by the associate. The financial statements for the year 2016 of the associate (unaudited) as certified by the management were also reviewed to assess the ability of the associate to repay the outstanding's. We also assessed the adequacy of the Company's disclosure in this respect.

Other information

Management is responsible for the other information. Other information consists of the information included in the Company's 2016 Annual Report, other than the financial statements and our auditors' report thereon. We obtained the report of the Company's Board of Directors, prior to the date of our auditors' report, and we expect to obtain the remaining sections of the Company's 2016 Annual Report (if any) after the date of our auditors' report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Suite # 17.06, Dubai World Trade Centre, Sheikh Zayed Road, P.O.Box 454442, Dubai, U.A.E.
Tel.: +971-04-3559533 • Fax: +971-04-3559544 • E-mail: admin@cnkhas.com • Web: www.cnkhas.com

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements, in accordance with International Financial Reporting Standards and in compliance with the applicable provisions of the Company's Memorandum and Articles of Association, the UAE Federal Law No. (2) of 2015, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained. Whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements
or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Suite # 17.06, Dubai World Trade Centre, Sheikh Zayed Road, P.O.Box 454442, Dubai, U.A.E.
Tel.: +971-04-3559533 • Fax: +971-04-3559544 • E-mail: admin@cnkhas.com • Web: www.cnkhas.com

Report on other legal and regulatory requirements

Further, as required by UAE Federal Law No. (2) of 2015, we report that:

a) we have obtained all the information and explanations we considered necessary for the purposes of our audit;
b) the financial statements have been prepared and comply, in all material respects, with the applicable provisions of the Company's Memorandum and Articles of Association and the UAE Federal Law No. (2) of 2015;
c) the Company has maintained proper books of account;
d) the financial information included in the Directors' report is consistent with the books of account and records of the Company;
e) note 12 reflects the disclosures relating to related party transactions and the terms under which they were conducted;
f) based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Company has contravened, during the financial year ended December 31, 2016, any of the applicable provisions of the UAE Federal Law No. (2) of 2015 or of its Memorandum and Articles of Association which would materially affect its activities or its financial position as at December 31, 2016.

For and on behalf of
CNK Hussain Alsayegh
Chartered Accountants

Hussain Nasser Hassan Alsayegh
Registration No.: 738
Date: March 19th 2017
Place: Dubai, UAE

سي ان كيه حسين الصايغ شارترد اكاونتنتس
P.O. Box: 454442
DUBAI - U.A.E.
CNK HUSSAIN ALSAYEGH CHARTERED ACCOUNTANTS

National Cement Company (Public Shareholding Co.)
Dubai, United Arab Emirates

Statement of financial position at December 31, 2016

	Note	2016 AED'000	2015 AED'000
NON CURRENT ASSETS			
Property, plant and equipment	5	189,568	182,701
Investment properties	6	2,924	2,924
Available for sale investments	7	1,213,134	1,267,958
Investment in an associate	8	74,339	77,528
Loan receivable from associate	9	260,898	260,898
TOTAL NON CURRENT ASSETS		**1,740,863**	**1,792,009**
CURRENT ASSETS			
Available for sale investments	7	638	640
Loan receivable from associate	9	55,102	55,102
Inventories	10	56,266	54,073
Trade and other receivables	11	124,405	133,636
Due from related parties	12	100,911	55,684
Bank balances and cash	13	22,701	25,481
TOTAL CURRENT ASSETS		**360,023**	**324,616**
CURRENT LIABILITIES			
Due to related parties	12	34,202	35,686
Bank loan / Overdraft	14	68,137	61,188
Trade and other payables	15	54,216	25,904
TOTAL CURRENT LIABILITIES		**156,555**	**122,778**
NET CURRENT ASSETS		**203,468**	**201,838**
NON CURRENT LIABILITIES			
Provision for employees' end of service gratuities	16	23,396	22,828
Bank loan	14	273,219	284,696
Total Non Current Liabilities		296,615	307,524
NET ASSETS		**1,647,716**	**1,686,323**
EQUITY			
Share capital	17	358,800	358,800
Share application money		26	26
Fair value reserve	18	504,299	536,739
General reserve	19	316,517	316,517
Statutory reserve	20	179,402	179,402
Foreign exchange reserve	8	(56,927)	(53,185)
Special reserve	21	38,129	15,900
Retained earnings		307,470	332,124
TOTAL EQUITY		**1,647,716**	**1,686,323**

These financial statements were approved and authorized for issue by the Board of Directors on March 15, 2017 and were signed on their behalf by:

Director **Director**

The notes on pages 13 to 43 form part of these financial statements

National Cement Company (Public Shareholding Co.)
Dubai, United Arab Emirates

Statement of comprehensive income for the year ended December 31, 2016

	Note	2016 AED'000	2015 AED'000
Revenue		253,484	261,541
Cost of sales	23	(212,958)	(221,741)
Gross profit		**40,526**	**39,800**
Other income	24	33,332	45,611
		73,858	**85,411**
Administration, selling and general expenses	25	(30,368)	(32,628)
Finance cost	26	(15,378)	(28,761)
Share of net profit in associate	8	552	643
Profit before financial income and expense		**28,664**	**24,665**
Financial income/(expense) net	27	60,360	68,865
Net profit for the period		**89,024**	**93,530**
Other comprehensive income			
Items that will or may be reclassified to profit or loss:			
Net movement in fair value of available for sale investments	7	(2,023)	(250,835)
Change in foreign exchange reserve	8	(3,741)	(4,668)
Loss on derecognition of available for sale investments	27	(30,417)	(18,992)
Other comprehensive income for the year		**(36,181)**	**(274,495)**
Total comprehensive income for the year		**52,843**	**(180,965)**
Basic and diluted earnings per share (AED)	28	0.25	0.26

The notes on pages 13 to 43 form part of these financial statements

National Cement Company (Public Shareholding Co.)
Dubai, United Arab Emirates

Statement of changes in equity for the year ended December 31, 2016

	Share capital AED'000	Share application money payable AED'000	Fair value reserve AED'000	General reserve AED'000	Statutory reserve AED'000	Foreign exchange translation reserve AED'000	Special Reserve AED'000	Retained earnings AED'000	Total equity AED'000
Balance as at January 1, 2015	**358,800**	**26**	**806,566**	**316,517**	**179,402**	**(48,517)**	**15,900**	**330,044**	**1,958,738**
Transfer on derecognition of available for sale investments to statement of comprehensive income	-	-	(18,992)	-	-	-	-	-	**(18,992)**
Total comprehensive income for the year	-	-	(250,835)	-	-	(4,668)	-	93,530	**(161,973)**
Dividend (Note 22)	-	-	-	-	-	-	-	(89,700)	**(89,700)**
Directors' fee (Note 32)	-	-	-	-	-	-	-	(1,750)	**(1,750)**
Balance as at December 31, 2015	**358,800**	**26**	**536,739**	**316,517**	**179,402**	**(53,185)**	**15,900**	**332,124**	**1,686,323**
Balance as at January 1, 2016	**358,800**	**26**	**536,739**	**316,517**	**179,402**	**(53,185)**	**15,900**	**332,124**	**1,686,323**
Transfer on derecognition of available for sale investments to statement of comprehensive income	-	-	(30,417)	-	-	-	-	-	**(30,417)**
Total comprehensive income for the period	-	-	(2,023)	-	-	(3,741)	-	89,024	**83,260**
Transfer to special reserve (Note 21)	-	-	-	-	-	-	22,229	(22,229)	**-**
Dividend (Note 22)	-	-	-	-	-	-	-	(89,700)	**(89,700)**
Directors' fee (Note 32)	-	-	-	-	-	-	-	(1,750)	**(1,750)**
Balance as at December 31, 2016	**358,800**	**26**	**504,299**	**316,517**	**179,402**	**(56,927)**	**38,129**	**307,470**	**1,647,716**

The notes on pages 13 to 43 form part of these financial statements

National Cement Company (Public Shareholding Co.)
Dubai, United Arab Emirates

Statement of cash flow for the year ended December 31, 2016

	Note	2016 AED'000	2015 AED'000
Cash flows from operating activities			
Net profit for the period		89,024	93,530
Adjustments for:			
Depreciation	5	16,542	17,290
Gain / loss on disposal of property, plant & equipment		(596)	(3,078)
Realized gain on disposal of available for sale investments	27	(3,208)	(1,430)
Loss on disposal of available for sale investments	27	7,713	7,099
Share of profit in an associate	8	(552)	(643)
Provision for employees' end of service gratuities	16	1,477	1,859
Interest expense	26	15,378	28,761
Interest income	24	(15,313)	(22,505)
Interest income from available for sale investments	27	(25,657)	(34,677)
Dividend income	27	(39,208)	(39,857)
Operating profit before working capital changes		**45,600**	**46,349**
Change in inventories	10	(2,193)	4,746
Change in trade and other receivables	11	9,231	(60,141)
Change in due from related parties	12	(45,227)	(23,907)
Change in trade and other payables	15	28,312	(7,003)
Change in due to related parties	12	(1,484)	4,586
Payment of end of service benefits	16	(909)	(4,611)
Net cash generated / (used) from operating activities		**33,330**	**(39,981)**
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(24,489)	(11,078)
Investment in available for sale investments	7	(201,743)	(292,875)
Proceeds from investment in associate	8	-	1,029
Repayment of loan from associate		-	27,000
Proceeds from disposal of property, plant and equipment		1,676	3,126
Proceeds from disposal of available for sale investments		219,624	284,553
Interest received	24	15,313	22,505
Interest income from available for sale investments	27	25,657	34,677
Dividend income	27	39,208	39,857
Net cash from investing activities		**75,246**	**108,794**
Cash flows from financing activities			
Dividend paid	22	(89,700)	(89,700)
Interest paid	27	(15,378)	(28,761)
Repayment of bank loans		(182,941)	(343,000)
Proceeds of bank loan / overdraft	14	178,413	345,884
Directors' fees	32	(1,750)	(1,750)
Net cash used in financing activities		**(111,356)**	**(117,327)**
Net increase / (decrease) in cash and cash equivalents		**(2,780)**	**(48,514)**
Cash and cash equivalents at beginning of the period	13	25,481	73,995
Cash and cash equivalents at end of the period		**22,701**	**25,481**

The notes on pages 13 to 43 form part of these financial statements

1 Status and activities

National Cement Company (Public Shareholding Co.), Dubai ("the Company"), is registered in accordance with the decree issued by His Highness Ruler of Dubai on April 10, 1968 establishing a cement company in the Emirate of Dubai and in accordance with the provisions of the UAE Federal Law No. 8 of 1984 (as amended). The Federal Law No. 2 of 2015, concerning Commercial Companies has come into effect from June 28, 2015 replacing the existing Federal Law No. 8 of 1984. The Company has amended its memorandum and articles of association and is under process to get the same notarized and attested. The Company is currently assessing the impact of the new law and expects to be fully compliant on or before the end of grace period on June 30, 2017. The registered address of the Company is P.O. Box 4041, Dubai, United Arab Emirates.

The principal activity of the Company is to manufacture and sell cement and cement related products. The Company also invests in investment securities. The Company is listed on the Dubai Financial Market since 2005.

The financial statements for the year ended December 31, 2016 were authorized for issue by the Board of Directors on March 15, 2017.

These financial statements are presented in thousands of UAE Dirhams (AED'000) unless otherwise stated.

2 Application of new and revised International Financial Reporting Standards (' IFRSs')

a) New standards and interpretations effective after January 1, 2016

The following new and revised IFRSs have been applied in the current period in these financial statements. Their adoption had no significant impact on the amounts reported in these financial statements but may affect the accounting for future transactions and arrangements.

Standard	**Description**	**Effective date (early adoption permitted)**
IAS 1 Presentation of Financial Statements'	The amendments provide clarifications and narrow-focus improvements on materiality, presentation of primary statements, structure of notes, disclosure of accounting policies, and presentation of OCI arising from equity accounted investments. The amendments are designed to further encourage companies to apply professional judgement in determining what information to disclose and how to structure notes in their financial statements.	January 1, 2016
Amendments to IFRS 11 – Accounting for acquisition of interests in Joint Operations	The amendments clarify that when acquiring an interest in a joint operation where the activity of the joint operation constitutes a business, all of the principles on business combinations accounting in IFRS 3, and other IFRSs, that do not conflict with the guidance in IFRS 11, are to be applied. The requirements apply to the acquisition of both the initial interest and additional interests in a joint operation but any previously held interest in the joint operation would not be remeasured.	January 1, 2016
Amendments to IFRS 10, IFRS 12 and IAS 28 Investment entities	The amendments define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements.	January 1, 2016

2 Application of new and revised International Financial Reporting Standards (continued)

a) New standards and interpretations effective after January 1, 2016 (continued)

Amendments to IAS 16 and IAS 38 – Clarification of acceptable methods of depreciation and amortization	The amendment clarifies that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate. The IASB has also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.	January 1, 2016
IFRS 10 Consolidated Financial Statements and IAS 28 - Investments in Associates & Joint Ventures	The amendment clarifies the treatment of the sale or contribution of assets from an investor to its associate or joint venture, as follows: (a) require full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 Business Combinations). (b) require the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognised only to the extent of the unrelated investors' interests in that associate or joint venture.	January 1, 2016

b) New standards and interpretations not yet effective

The following new and revised IFRSs are issued but not yet effective. The application of these new and revised IFRSs does not have any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

IFRS 15 'Revenue from Contracts with Customers' (Effective for annual periods beginning on or after January 1, 2018):

IFRS 15 provides a single, principles based on five-step model to be applied to all contracts with customers.

The five steps in the model are as follows:
- Identify the contract with the customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contracts;
- Recognise revenue when (or as) the entity satisfies a performance obligation.

The Company has assessed and determined that these amendments will not impact the Company's financial position or performance for the current year and becomes effective for annual periods beginning on or after January 1, 2018.

IFRS 9 Financial Instruments and associated amendments to various other standards (Effective for annual periods beginning on or after January 1, 2018)

IFRS 9 replaces the multiple classification and measurement models in *IAS 39 Financial Instruments: Recognition and* measurement with a single model that has initially only two classification categories: amortised cost and fair value.

Classification of debt assets will be driven by the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. A debt instrument is measured at amortised cost if : a) the objective of the business model is to hold the financial asset for the collection of the contractual cash flows, and b) the contractual cash flows under the instrument solely represent payments of principal and interest.

2 Application of new and revised International Financial Reporting Standards (continued)

b) New standards and interpretations not yet effective (continued)

All other debt and equity instruments, including investments in complex debt instruments and equity investments, must be recognised at fair value.

All fair value movements on financial assets are taken through the statement of profit or loss, except for equity investments that are not held for trading, which may be recorded in the statement of profit or loss or in reserves (without subsequent recycling to profit or loss).

For financial liabilities that are measured under the fair value option the Company will need to recognise the part of the fair value change that is due to changes in their own credit risk in other comprehensive income rather than profit or loss.

The new hedge accounting rules (released in December 2013) align hedge accounting more closely with common risk management practices. As a general rule, it will be easier to apply hedge accounting going forward. The new standard also introduces expanded disclosure requirements and changes in presentation.

In December 2014, the IASB made further changes to the classification and measurement rules and also introduced a new impairment model. The changes introduce:
a) a third measurement category (FVOCI) for certain financial assets that are debt instruments
b) a new expected credit loss (ECL) model which involves a three-stage approach whereby financial assets move through the three stages as their credit quality changes. The stage dictates how an entity measures impairment losses and applies the effective interest rate method. A simplified approach is permitted for financial assets that do not have a significant financing component. On initial recognition, company will record a day-1 loss equal to the 12 month ECL, unless the assets are considered credit impaired.

The application of IFRS 9 may have impact on the classification, measurement and presentation of the Company's financial assets and liabilities and becomes effective for annual periods beginning on or after January 1, 2018.

IFRS 16 'Leases'. (Effective for annual periods beginning on or after January 1, 2019)

IFRS 16 provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16’s approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

The Company has assessed and determined that these amendments will not impact the Company's financial position or performance for the current period and becomes effective for annual periods beginning on or after January 1, 2019.

IFRS 2 Classification and measurement of share based payment transactions'. (Effective for annual periods beginning on or after January 1, 2018)

The amendments are intended to eliminate diversity in practice in three main areas:
1) The effects of vesting conditions on the measurement of a cash-settled sharebased payment transaction.
2) The classification of a share-based payment transaction with net settlement features for withholding tax obligations.
3) The accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity-settled.

The Company has assessed and determined that these amendments will not impact the Company's financial position or performance for the current period and become effective for annual periods beginning on or after January 1, 2018.

2 Application of new and revised International Financial Reporting Standards (continued)

b) New standards and interpretations not yet effective (continued)

IAS 7 :" Statement of Cash Flows "effective for annual periods beginning on or after January 1, 2017

The amendments are intended to clarify IAS 7 to improve information provided to users of financial statements about an entity's financing activities.
The Company has assessed and determined that these amendments will not impact the Company's financial position or performance for the current period and becomes effective for annual periods beginning on or after January 1, 2017 with earlier application being permitted.

IAS 12 :"Income Taxes "effective for annual periods beginning on or after January 1, 2017

The amendments in Recognition of Deferred Tax Assets for Unrealised Losses clarify the following aspects:
1. Unrealised losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use.
2. The carrying amount of an asset does not limit the estimation of probable future taxable profits.
3. Estimates for future taxable profits exclude tax deductions resulting from the reversal of deductible temporary differences.
4. An entity assesses a deferred tax asset in combination with other deferred tax assets. Where the tax law restricts the utilisation of tax losses, an entity would assess a deferred tax asset in combination with other deferred tax assets of the same type.

Annual improvements to IFRSs 2014-2016 Cycle

IFRS 1 - First-time Adoption of International Financial Reporting Standards:

This amendment has deleted the short term exemptions in in paragraphs E3–E7 of IFRS 1. The amendment is effective for annual periods beginning on or after January 1, 2018.

IFRS 12 - Disclosure of Interests in Other Entities:

This amendment has Clarified the scope of the standard by specifying that the disclosure requirements in the standard, except for those in paragraphs B10–B16, apply to an entity’s interests listed in paragraph 5 that are classified as held for sale, as held for distribution or as discontinued operations in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. The amendment is effective for annual periods beginning on or after January 1, 2017.

IAS 28 - Investments in Associates and Joint Ventures:
This amendment has clarified that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is a venture capital organisation, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition. The amendment is effective for annual periods beginning on or after January 1, 2018.

3 Significant accounting policies

These financial statements are prepared under the historical cost convention except for financial instruments classified under available for sale which are stated at fair value and are in accordance with International Financial Reporting Standards (IFRS).

Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses.
Capital work in progress is stated at cost, less accumulated depreciation and accumulated impairment losses. All costs related to specific assets incurring during the year are carried under this. These are transferred to specific assets when are available for use.

Depreciation

Depreciation is provided consistently on a straight line basis so as to write off the cost of property, plant and equipment over their estimated useful lives as follows:

Buildings	3-14 years
Plant and machinery	3-25 years
Furniture, Fixtures and equipments	4-7 years
Motor Vehicles	3 years

Investments properties

Investment properties are initially accounted for by using the cost model under *IAS 40 Investment Property* and subsequent measurements are done in accordance with the requirements of *IAS 16 Property, plant and equipment* for that model.

Investment properties are stated at cost, less accumulated depreciation and accumulated impairment losses.

Depreciation is provided consistently on a straight line basis so as to write off the cost of investment properties over their estimated useful lives. Land forming part of the investment properties is not depreciated. Buildings forming part of the investment properties have been depreciated from the date of acquisition on a straight lines basis so as to write off the cost of buildings over their estimated useful life of 10 years.

Investment in associate

Where the company has the power to participate in (but not control) the financial and operating policy decisions of another entity, it is classified as associate. Associates are initially recognized in the statement of financial position at cost. Subsequently associates are accounted for using the equity method, where the Group's share of post-acquisition profits and losses and other comprehensive income is recognized in the statement of profit and loss and other comprehensive income (except for losses in excess of the Group's investment in the associate unless there is an obligation to make good those losses).

Unrealized gains on transactions between the Company and its associate are eliminated to the extent of the Company's interest in the associate. Unrealized losses are also eliminated unless the transaction provides evidence of impairment of the assets transferred. Accounting policies of associate have been changed where necessary to ensure consistency with the policies adopted by the Company.

3 Significant accounting policies (continued)

Investment in associate (continued)

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognized at the date of acquisition is recognized as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of that investment. Any excess of the Company's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognized immediately in the statement of comprehensive income.

Joint arrangements

The company is a party to a joint arrangement when there is a contractual arrangement that confers joint control over the relevant activities of the arrangement to the group and at least one other party. Joint control is assessed under the same principles as control over subsidiaries.

The group classifies its interests in joint arrangements as either:
- *Joint ventures:* where the group has rights to only the *net assets* of the joint arrangement
- *Joint operations:* where the group has both the rights to assets and obligations for the liabilities of the joint arrangement.

In assessing the classification of interests in joint arrangements, the Company considers:
- The structure of the joint arrangements
- The legal form of joint arrangements structured through a separate vehicle
- The contractual terms of the joint agreement
- Any other facts and circumstances (including any other contractual arrangements).

The company accounts for its interests in joint ventures in the same manner as investments in Associates (i.e. using the equity method - refer above).

Any premium paid for an investment in a joint venture above the fair value of the Company's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalized and included in the carrying amount of the investment in joint venture. Where there is objective evidence that the investment in a joint venture has been impaired the carrying amount of the investment is tested for impairment in the same way as other non-financials assets.

The Company accounts for its interests in joint operations by recognizing its share of assets, liabilities, revenues and expenses in accordance with its contractually conferred rights and obligations.

Impairment of non-financial assets (excluding inventories)

Non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an assets exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carries out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows; its cash generating units (CGUs). Goodwill is allocated on initial recognition to each of the Company's CGUs that are expected to benefit from a business combination that gives rise to the goodwill.

3 Significant accounting policies (continued)

Inventories

Inventories are stated at lower of cost and net realizable value. Cost of raw materials is based on weighted average cost basis and includes expenditure incurred in acquiring raw material and bringing them to their present location and condition. Cost of work in progress and finished goods is based on weighted average cost basis and includes cost of raw materials and attributable production labour and overheads. Cost of consumables and spare parts are valued based on the weighted average cost basis. Net realizable value is based on the normal selling price, less cost expected to be incurred on disposal.

Financial assets

All financial assets are recognized and derecognized on trade date and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specific categories: financial assets at fair value through profit or loss, held to maturity investments, loans and receivables and available for sale financial assets.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

• Financial assets are classified as fair value through profit or loss when the financial asset is either a held for trading investment or it is designated as fair value through profit or loss. A financial asset is classified as held for trading if, it has been acquired principally for the purpose of selling it in the near term; or on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or it is a derivative that is not designated and effective as a hedging instrument.

• Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity.

•Loans and receivable are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

•Available-for-sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Loans and receivables

The Company's loans and receivables comprise of trade receivables, due from related parties, loan receivable from associate and other receivables that have fixed or determinable payments and are not quoted in an active market. Loans and receivables are measured at amortized cost using the effective interest method, less nay impairment. Interest income is recognized by applying the effective interest rate.

Impairment provisions are recognized when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognized within administrative expenses in the statement of comprehensive income. On confirmation that the trade receivable will not be collectible, the gross carrying value of the asset is written off against the associated provision.

From time to time, the Company elects to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such negotiations will lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognized in the statement of comprehensive income (operating profit).

3 Significant accounting policies (continued)

Available for sale

The Company's available for sale financial assets are listed shares, listed redeemable notes and other instruments held by the Company that are traded in an active market and are stated at fair value. The Company also has investments in unlisted shares and other instruments that are not traded in an active market but are also classified as available for sale financial assets and stated at fair value. Gains and losses arising from changes in fair value are recognized in statement of comprehensive income and accumulated in the fair value reserve. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified to statement of comprehensive income.

Where there is a significant or prolonged decline in the fair value of an available for sale financial asset (which constitutes objective evidence of impairment), the full amount of the impairment, including any amount previously recognized in other comprehensive income, is recognized in profit or loss.

Derivative financial instruments are categorized as held for trading unless they are designated as hedges. The company has derivative instruments which do not qualify for hedge accounting. Changes in the fair value of such derivative financial instruments that do not qualify for hedge accounting are recognized immediately in the statement of comprehensive income.

A financial instruments is recognized if the company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset.

Provisions

Provisions are recognized in the statement of financial position when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of 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 gratuities

Provision is made for employees' end of service gratuities on the basis prescribed in the UAE Labour Law, for the accumulated period of service at the date of financial position.

Under Federal Labour Law No. 7 of 1999 for pension and social security, employers at the option of the employee are required to contribute 15% of the 'contribution calculation salary' of those employees who are UAE nationals to the scheme. These employees are also required to contribute 5% of the 'contribution calculation salary' to the scheme. The UAE nationals employed by the Company have not opted for this scheme and hence no expense is incurred by the Company on this scheme.

3 Significant accounting policies (continued)

Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities. The Company's financial liabilities consist of trade and other payables, bank loan and due to related parties. The trade and other payables and due to related parties are stated at cost and bank loan is recorded at the proceeds received less repayment. Other financial liabilities are initially measured at fair value, net of transaction costs. The subsequent measurement is at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

Leasing

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

Share Capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

The Company's ordinary shares are classified as equity instruments.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in the statement of comprehensive income in the period in which they are incurred.

Dividends

Dividends are recognized when they become legally payable. Interim dividends to equity shareholders, are recognized when declared by the directors. Final dividends, are recognized when approved by the shareholders at the annual general meeting.

Segment reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses relating to transactions with other components of the same entity, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

3 Significant accounting policies (continued)

Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary share. Basic EPS is calculated by dividing profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Profit or loss attributable to ordinary shareholders will be adjusted for any after tax amounts of preference dividends, differences arising on the settlement of preference shares, and other similar effects of preference shares classified as equity. Diluted EPS is calculated by dividing profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares. Potential ordinary shares are treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations.

Revenue Recognition

Revenue from the sales of goods is recognized net of discounts, when the significant risks and rewards of ownership of the goods have passed to the buyer and the amount can be measured reliably.

Rental income from investment properties and from other facilities leased is recognized on straight line basis over term of the relevant lease period.

Interest income is accrued once right to receive is established. Dividend income from investment is recognized when the shareholder's right to receive payment has been established.

Foreign currencies

Transactions in foreign currencies during the year are converted into AED at rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies are translated to AED at the rates of exchange ruling at the date of statement of financial position. All gains and losses on exchange are taken to the statement of comprehensive income.

Exchange difference arising on translation of investment in associate is taken as part of other comprehensive income of the year.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents include cash, bank balances, bank overdrafts and fixed deposits free of encumbrance with maturity periods of three months or less from the date of deposit.

In the application of the Company's accounting policies, which are described in Note 3, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

4 Critical accounting judgements and key sources of estimation uncertainty

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the date of statement of financial position, 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.

IFRS 7 fair value measurement hierarchy

The classification of financial assets and financial liabilities measured at fair value using a fair value hierarchy that reflects the significance of the inputs used in making the fair value measurement, has the following levels:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
(b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The level in the fair value hierarchy within which the financial asset or financial liability is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement.

Estimated useful life of property, plant and equipment
Property, plant and equipment is depreciated over its estimated useful life, which is based on estimated for expected usage of the asset and expected physical wear and tear which are dependent on operational factors. Management has not considered any residual value or any adjustments for the remaining estimated useful life based on the internal review carried out.

Impairment of property, plant and equipment

The Company reviews its property, plant and equipment to assess impairment, if there is an indication of impairment. In determining whether impairment losses should be recorded in the statement of comprehensive income, the Company makes judgement as to whether there is any observable data indicating that there is a reduction in the carrying value of property, plant and equipment. Accordingly, provision for impairment is made when there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the carrying value or property, plant and equipment.

Impairment losses on available for sale investments

The Company determines that available for sale investments are impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgement. In making this judgement, the Company evaluates factors such as change in market rate of the equity and other instruments since the purchase date of such instrument, the market scenario and the financial performance of the issuer.

4 Critical accounting judgements and key sources of estimation uncertainty (continued)

Obsolete Inventories

Inventories are stated at the lower of cost and net realizable value. Adjustments have been made to reduce the cost of inventory to its realizable value, if required, for estimated excess, obsolescence or impaired balances. Factors influencing these adjustments include changes in demand, product pricing and quality issues. Revisions to these adjustments would be required if these factors differ from the estimates.

Impairment losses on trade receivable

The Company reviews its receivables to assess impairment if there is an indication of impairment. The Company's credit risk is primarily attributable to its trade receivables and amounts due from related parties. In determining whether impairment losses should be recorded in the statement of comprehensive income, the Company makes judgements as to whether there is any observable data indicating that there is a measurable decrease in the estimated futures cash flows. Accordingly, an allowance for impairment is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

Investment in United Cement Group, Syria

The Company has an investment of AED 73.87 million in United Cement Group, Syria. This investment has been routed through Al Shams Investment LLC wherein the Company holds 27% of shareholding. Al Shams Investment LLC is not considered as an associate since there is no direct or indirect involvement at board level and the Company also does not have the power to participate in operating and financial policies and the same has not been accounted as per the equity method. The Company doesn't have any significant influence or joint control over the operations of United Cement Group. Accordingly, this investment has been treated as an available for sale investment.

5 Property, plant and equipment

Movements in property, plant and equipment are given on page 41

Some of the buildings with zero net book value are situated on plots of land obtained under operating lease arrangements which are renewable annually. The management is of the opinion that the leases and the land will be available to the Company in the foreseeable future.

6 Investment properties

Investment properties represent land and villas constructed on those lands held for rental purpose and for capital appreciation.

Movement in investment properties is as follows:

	Land AED'000	Villas AED'000	Total AED'000
Cost			
At January 1, 2015	2,924	16,575	19,499
At December 31, 2015	2,924	16,575	19,499
At December 31, 2016	2,924	16,575	19,499
Depreciation			
At January 1, 2015	-	16,575	16,575
At December 31, 2015	-	16,575	16,575
At December 31, 2016	-	16,575	16,575
Net book value			
At December 31, 2016	**2,924**	**-**	**2,924**
At December 31, 2015	2,924	-	2,924

The fair market value of investment properties, including land, is estimated to be in the range of AED 105 million as per the internal valuation carried out by the management in April 2014. The valuation was based on an assessment of the market prices for similar properties and on the basis of future rentals.

Land forming part of the investment properties is not depreciated.

Summary of income and expenses from investment properties generating rental income is as follows:

	2016 AED'000	2015 AED'000
Rental Income	3,844	3,771
Direct operating expenses	422	327

At December 31, 2016 there were no restrictions on the realisability of investment property or the remittance of income and proceed of disposal.

There are currently no obligations to construct or develop the existing investment properties. At December 31, 2016 there were no contractual obligations to purchase investment property (2015 : AED Nil).

7 Available for sale investments

	2016 AED'000	2015 AED'000
Non current investments	1,213,134	1,267,958
Current investments	638	640
	1,213,772	**1,268,598**

Non-current investments represents available for sale investments in securities (debt, equity and other instruments) which are intended to be held for more than one year from the date of statement of financial position. The Company's current investments comprise investments in quoted marketable equity securities which are held as available for sale investments.

Break-up of available for investments at fair value is stated below:

	2016 AED'000	2015 AED'000
Equity instruments	725,063	781,039
Other instruments	488,709	487,559
	1,213,772	**1,268,598**

Movement in available for sale investments at fair value are as follows:

	2016 AED'000	2015 AED'000
Opening balance	1,268,598	1,535,772
Additions	201,743	292,875
Disposals/redeemed	(224,129)	(290,222)
Reclassification adjustments on disposal of investments	(30,417)	(18,992)
Fair value changes	(2,023)	(250,835)
	1,213,772	**1,268,598**

During the year, the Company has recognized a fair value loss of AED 2.02 million (2015 fair value loss of AED 250.84 million) to other comprehensive income.

At the date of statement of financial position, investments amounting to AED 99.38 million (2015: AED 103.15 million) are stated at cost. In the opinion of the management, the fair value of these investments is not materially different from their carrying amounts.

At the date of statement of financial position, available for sale investments at fair value amounting to AED 339.46 million (2015: AED 271.19 million) are held in the personal name of one of the Company's Director for the beneficial interest of the Company.

7 Available for sale investments (continued)

Investments amounting to AED 506.42 million (2015: AED 354.41 million) are pledged with the bank against the loan of AED 341.35 million.

Sensitivity analysis on market risk arising as a result of changes in the market price of investments and foreign currency risk arising as a result of fluctuation in the foreign exchange rates is explained in Note 30 to the financial instruments.

Break-up of available for investments at cost is stated below:

	2016 AED'000	2015 AED'000
Equity instruments	189,995	189,735
Other instruments	519,462	542,108
	709,457	**731,843**

Movements in cost for available for sale investments are as follows:

	2016 AED'000	2015 AED'000
Opening balance	731,843	729,190
Additions	201,743	292,875
Disposals	(224,129)	(290,222)
	709,457	**731,843**

The geographical distribution of available for sale investments is as follows:

	2016 AED'000	2015 AED'000
United Arab Emirates	790,350	891,354
Kingdom of Saudi Arabia	171,873	126,442
Other countries	251,549	250,802
	1,213,772	**1,268,598**

8 Investment in an associate

Investment in an associate company represents 25.43% (2015: 25.43%) share in Berber Cement Company Ltd, a limited liability company registered in the Republic of Sudan. The principal activity of the associate is to manufacture and sell cement. The Company's share in net assets of the associate has been equity accounted as at December 31, 2016 based on the management accounts as at December 31, 2016.

The following table summarizes the investment in Berber Cement Company Ltd:

	2016 AED'000	2015 AED'000
Opening balance	77,528	82,582
Reclassification	-	(1,029)
Foreign exchange translation reserve	(3,741)	(4,668)
Share of profit in associate	552	643
	74,339	**77,528**

The following table summarizes the financial information of the Company's investment in Berber Cement Company Ltd:

	2016 AED'000	2015 AED'000
Share of net assets of associate (25.43%)		
Current assets	30,434	34,179
Non Current assets	163,386	161,168
Current liabilities	(68,566)	(64,907)
Non Current liabilities	(50,915)	(52,912)
Net Assets	**74,339**	**77,528**

	2016 AED'000	2015 AED'000
Share of associate's revenue and profit (25.43%)		
Revenue	55,258	53,180
Net profit	552	643

The foreign exchange reserve has been created due to translation of financial statements from Sudanese Pound into AED where Sudanese Pound is the functional currency. The translation rate between Sudanese Pound and AED was 1 SDG = 0.64 AED on December 31, 2015 and 1 SDG = 0.57 AED on December 31, 2016. Exchange fluctuation reserve has been created to reflect the net differences.

9 Loan receivable from associate

This amount represents AED denominated loan given to Associate and is recoverable in ten installments over a period of five years beginning from December 2015. The interest rate on this loan is charged at the rate of 5.85% per annum.

10 Inventories

	2016 AED'000	2015 AED'000
Raw materials	10,067	8,274
Work in progress	21,411	21,511
Finished goods	2,686	2,622
Consumable and spare parts	22,102	21,666
	56,266	**54,073**

Inventories are stated net of allowance for slow moving and obsolete items. The cost of inventories recognized during the year is AED 114.83 million (2015: AED 125.99 million). Consumables and spare parts amounting to AED 7.12 million have been written off during the year.

11 Trade and other receivables

	2016 AED'000	2015 AED'000
Trade receivables	84,619	96,183
Allowance for doubtful debts*	(3,600)	(3,600)
	81,019	**92,583**
Advances and other receivables	41,905	40,241
Prepayments and other receivables	1,481	812
	124,405	**133,636**

Movement in allowance for doubtful debts is as under:

	2016 AED'000	2015 AED'000
Beginning balance	3,600	3,600
Reversal from allowance	-	-
	3,600	**3,600**

*The company does not deem necessary to provide provision for doubtful debts for the current year as all the Trade Receivables and Debtors are secured under bank guarantees which act as a collateral security for the amount receivables from those customers and post dated cheques for the balance amount receivable in excess of the bank guarantee. The amount of trade receivables that is secured against bank guarantees amounts to AED 61.47 million (2015: AED 56.5 million) and total value of collateral security is determined at AED 74.43 million (2015: AED 64.77 million).

11 Trade and other receivables (continued)

There are 4 customers (2015: 4 customers) who represents 52% (2015: 51%) of the total balance of trade receivables. AED 29.71 million (2015: AED 40.63 million) of the trade receivables is neither past due nor impaired. The company has provided for AED 3.6 million for receivables amounting to AED 54.91 million which are past due at the reporting date based on its past experience.

Ageing of trade receivables is as under:

	2016 AED'000	2015 AED'000
Amount not past due and not impaired	29,705	40,635
Amount past due but not impaired:		
0-30 days	15,429	25,649
31-60 days	10,317	6,809
61-90 days	7,570	7,813
91-120 days	8,622	4,743
Above 121 days	9,376	6,934
	51,314	**51,948**
Amount past due and impaired:		
Above 121 days	3,600	3,600
Total amount past due	**54,914**	**55,548**

The Company's exposure to credit risk and impairment losses related to loans and receivables is disclosed in Note 30 on financial instruments.

12 Related party disclosures

The Company, in the ordinary course of its business, enters into trading and financing transactions with concerns which fall within the definition of "related party" as contained in International Accounting Standard 24. The balances due to/from such parties, which have been disclosed separately in the financial statements, are unsecured and repayable on demand. The management believes that the terms of the trading transactions are not materially different from those that could have been obtained from unrelated parties.

The significant related party transactions during the period are as follows:

	2016 AED'000	2015 AED'000
With an Associate		
- Interest Income	15,313	22,505
- Loan repaid	-	27,000
- Share in profit	552	643
With Other related parties:		
- Sales	53,415	42,284
- Purchase of materials and services	9,451	54,968
- Dividend	89,700	89,700
With Key Management Personnel:		
Salaries and other short term benefits	3,286	3,221
End of service benefits charged	175	175
End of service benefits at year end	5,622	5,447
Directors' fee	2,000	2,000

Related party balances are as under:

	2016 AED'000	2015 AED'000
Payables:		
To other related parties	32,202	33,686
To Director	2,000	2,000
Receivables:		
From Associate - others	76,024	31,369
From Associate - short term loan	55,102	-
From Associate - long term loan	260,898	-
From other related parties	24,887	24,277
From a Director	-	38

13 Bank balances and cash

	2016 AED'000	2015 AED'000
Cash at hand	588	1,340
Current accounts with banks	22,113	24,141
	22,701	**25,481**

14 Bank Loan

This represents:-

1) Loan from the bank with interest rate of 6 months LIBOR +3.25% total amounting to AED 367.35 million. This loan is obtained by the company to finance its associate. The loan is repayable in ten installments over a period of five years. Please refer note 7 for details of investments pledged against this loan and note 9 for amount repayable by the associate against this loan.

2) Loan from the bank with interest rate of 6 months EIBOR +2.95% total amounting to AED 130 million. This loan is obtained by the company to partially repay term loan outstanding with other bank and for General Corporate purpose. The loan is repayable in four installments over a period of two years. Please refer note 7 for details of investments pledged against this loan.

3) Loan from the bank with interest rate of 6 months EIBOR +2.95% total amounting to AED 50 million. This loan is obtained by the company for the purpose of working capital. The loan is repayable in one year. Please refer note 7 for details of investments pledged against this loan.

The installments payable after twelve months from the date of statement of financial position has been classified under non-current liabilities.

15 Trade and other payables

	2016 AED'000	2015 AED'000
Trade payables	31,886	7,929
Other accruals and payables	21,450	17,740
Advances	880	235
	54,216	**25,904**

The Company has financial risk management policies in place to ensure that payables are paid within the credit time frame.

16 Provision for employees' end service gratuities

	2016 AED'000	2015 AED'000
Opening balance	22,828	25,580
Provision created for the year	1,477	1,859
Payments made during the year	(909)	(4,611)
Closing balance	**23,396**	**22,828**

17 Share capital

	2016 AED'000	2015 AED'000
Issued and fully paid up:		
358,800,000 shares of AED 1 each	358,800	358,800
	358,800	**358,800**
Issued for cash		
92,000,000 shares of AED 1 each	92,000	92,000
Bonus shares issued by capitalizing retained earnings		
266,800,000 shares of AED 1 each	266,800	266,800
	358,800	**358,800**

At the date of financial position, the share capital comprised of ordinary equity shares. All issued shares are fully paid. The holders of ordinary equity shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All shares rank equally with regard to the Company's residual assets.

18 Fair value reserve

This reserve represents the cumulative changes in fair value of available for sale investments. Movement in fair value reserve is as follows:

	2016 AED'000	2015 AED'000
Opening balance	536,739	806,566
Net movement in changes in fair value	(2,023)	(250,835)
Reclassification adjustments on disposal of investments	(30,417)	(18,992)
	504,299	**536,739**

19 General reserve

As required by Article 57.2 of the Article of Association of the Company, 10% of the net profit has to be transferred to general reserve. It can be discontinued by the resolution of the ordinary general meeting on the proposal of Board of Directors or if it reaches 10% of the paid up capital of the Company. Such reserve shall be used for the purpose designated by the ordinary general meeting on the proposal of the Board of Directors. No such transfer has been made during the period under review.

20 Statutory reserve

In accordance with Article 57.1 of the Memorandum of Association of the Company and the UAE Federal Law No.2 of 2015, a minimum of 10% of the net profit of the Company is to be allocated every year to a non-distributable reserve. Such allocation may cease when the statutory reserve equals 50% of the paid up share capital.

No allocation has been made to the statutory reserve for the year ended December 31, 2016 as the reserve equaled 50% of the paid share capital.

21 Special Reserve

Special reserve has been created on the recommendation of the board and on approval by the shareholders in the annual general meeting to take care of any contingencies. Any movement towards transfer, utilization and discontinuation will be subject to approval of the shareholders in the annual general meeting . Accordingly AED 22.23 million was transferred to this reserve during the year 2016 representing the accumulated profit from the associate accounted till December 31, 2015

22 Dividend

For 2015, a cash dividend of AED 89.7 million (AED 0.25 fils per share) has been proposed and approved by the shareholders of the Company in the Annual General Meeting held on April 16, 2016. In 2014, a dividend of AED 89.7 million (AED 0.25 fils per share) was proposed and approved by the shareholders.

23 Cost of sales

	2016 AED'000	2015 AED'000
Material expenses	114,813	125,990
Utilities and other factory costs	63,188	58,161
Staff costs	19,994	21,798
Depreciation	14,963	15,792
	212,958	**221,741**

24 Other income

	2016 AED'000	2015 AED'000
Interest Income	15,313	22,505
Rental income from investment properties	3,844	3,771
Other rental income	7,117	8,456
Income from sale of by-product and scraps	3,257	2,796
Gain on disposal of Property, plant and equipment	596	3,078
Other income	3,205	5,005
	33,332	**45,611**

25 Administration, selling and general expenses

	2016 AED'000	2015 AED'000
Staff salaries and benefits	14,703	14,691
Staff accommodation	2,462	2,172
License fees	331	193
Insurance	538	517
Communications	140	174
Repair and maintenance	5,509	5,395
Travelling and conveyance expenses	122	37
Legal and professional	1,316	2,469
Electricity and water	476	584
Depreciation	1,578	1,498
Bank Charges	639	687
Other	2,554	4,211
	30,368	**32,628**

26 Finance Costs

	2016 AED'000	2015 AED'000
Interest on bank loan	15,328	28,730
Interest on bank overdraft	50	31
	15,378	**28,761**

The above includes AED 15.31 million interest paid on bank loan obtained to finance an associate and such interest is receivable from associate.

27 Financial income

	2016 AED'000	2015 AED'000
Interest income from available for sale investments	25,657	34,677
Realized gain on disposal of available for sale investments	3,208	1,430
Dividend income	39,208	39,857
Financial income	**68,073**	**75,964**
Loss on disposal of available for sale investments	(7,713)	(7,099)
Financial expense	(7,713)	(7,099)
Financial Income recognized in the statement of comprehensive income	**60,360**	**68,865**

There was a reclassification adjustment on disposal of available for sale investments amounting to AED 30.41 million (2015: AED 18.99 million).

28 Earnings per share

	2016	2015
Net profit attributable to shareholders (AED'000)	89,024	93,530
Weighted average number of shares	358,800,000	358,800,000
Earnings AED per share	**0.25**	**0.26**

29 Segment reporting

Description of the types of products and services from which each reportable segment derives its revenues.

The Company has two main segments:

- Production and sale of cement and related products - This segment is involved in the manufacture and distribution of cement and related product i.e. clinker and accounts for 83% (2015: 82%) of its revenue.
- Available for sale investments and related products - This segment is involved in investment activity of the Company i.e. purchase and disposals of investment to maximize return on investment and accounts for 17% (2015: 18%) of its external revenue.

Factors that management used to identify the Company's reportable segments

The Company's reportable segments are strategic business units. They are managed separately because each unit requires different operating strategies.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the management team including the General Manager and the Finance Controller.

Measurement of operating segment profit or loss, assets and liabilities.

The Company evaluates segmental performance on the basis of profit or loss from operations calculated in accordance with IFRS but excluding non-recurring losses, if any.

There are no inter-segment transactions. Segment assets exclude assets used primarily for corporate purposes. Segment liabilities exclude liabilities that are unallocated to specific segment and are related to corporate purposes. Loans an borrowings are allocated to the segments based on relevant factors (e.g. funding requirements). Details are provided in the reconciliation from segment assets and liabilities to the Company position.

The management has determined that as most of the operations are in the United Arab Emirates and there is no other significant geographical segment, no specific disclosures is made in this regard. The details of segment revenue, segment result, segment assets and segment liabilities have been provided on page 42 and 43

30 Financial instruments

Capital risk management

The capital is managed by the company in a way that it is able to continue as a going concern while maximizing return to stakeholders.

The capital structure of the company consists of borrowings, cash and cash equivalents and equity attributable to equity holders comprising of issued capital, reserves and retained earnings.

As a risk management policy, the Company reviews its cost of capital and risks associated with capital. The company balances its capital structure based on the above review.

Market risk management

The Company is primarily exposed to the financial risks of changes in foreign currency exchange rates (currency risk), interest rates (interest rate risk) and market prices (other price risk).

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in foreign exchange rates.

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

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices whether those changes are caused by factors specific to the individual financial instrument of the Company, or factors affecting all similar financial instruments traded in the market.

Foreign currency risk management

The Company undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise. The Company is mainly exposed to US Dollars. The US Dollar has been pegged against the United Arab Emirates Dirham ("AED"), hence no exchange risk is considered to exist.

If the foreign exchange rates on investment in associate have had been 50 base points higher or lower and all other variables were held constant, the Company's profits would have increased or decreased by AED 0.387 million (2015: 0.387 million).

Interest rate risk management

The Company is exposed to interest rate risk on cash at bank (including time deposits), available for sale investments.

If the interest rates on available for sale investments have had been 50 base points higher or lower and all other variables were held constant, the Company's profits would have increased or decreased by AED 0.129 million (2015: AED 0.173 million)

The Company is not exposed to any significant interest rate risk as the bank loans are obtained to finance its associate and the interest cost incurred is recovered from its associate.

Other price risk management

The Company is exposed to other price risks in market on its equity investments. Investments in equity instruments are generally held for long term.

If equity prices in market had been 10% higher/lower:

1) Available for sale investment valuation reserve would increase/decrease by AED 72.51 million (2015: AED 78.10 million).

2) The profit would be unaffected as equity investments are classified as available for sale.

30 Financial instruments (continued)

Credit risk management

Credit risk is the risk that one party of a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Company is exposed to credit risk from its financial assets which comprise principally of fixed deposits, bank balances, trade and other receivables, due from related parties and investments. The credit risk on trade and other receivables and due from related parties is subjected to credit evaluations and an allowance has been made for estimated irrecoverable amounts. The amounts presented in the balance sheet are net of allowances for irrecoverable amounts. The Company has obtained collateral security for 69% (2015: 67%) of its trade receivables and for trade receivables from customers for which there are no collaterals; the management is of the view that the outstanding balances are fully recoverable. The management believes the outstanding balance of other receivables and due from related parties are good and fully recoverable and therefore, there is no requirement to provide for them. The Company limits its exposure to investments by investing in securities where counterparties have credible market reputation. The Company's management does not expect any counterparty to fail. There are 4 customers who represents 52% (2015: 51%) of the total balance of trade receivables.

Liquidity risk management

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company has built appropriate liquidity risk management framework for the management of its short, medium and long term funding and liquidity requirements. The Company manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows.

Derivative contracts

The Company's investments in certain securities normally carry interest which is linked to LIBOR. The Company also enters into certain interest rate swaps contracts and commodity derivative swap contracts. There swap contracts are not designated as hedges and accordingly are treated as free standing derivative contracts. At December 31, 2016 the Company has no outstanding interest rate swap contracts.

Financial instruments by category

	2016 AED'000	2015 AED'000
Financial assets		
Available for sale investments	1,213,772	1,268,598
Loans and receivables:-		
Trade and other receivables	122,924	132,824
Due from related parties	100,911	55,684
Loan receivable from associate	316,000	316,000
Cash and bank balances	22,701	25,481
Financial liabilities		
Other financial liabilities:-		
Trade and other payables	54,216	25,904
Due to related parties	34,202	35,686
Bank loans / Overdraft	341,356	345,884

30 Financial instruments (continued)

The following table sets out the Company's assets and liabilities that are measured and recognized at fair value at December 31, 2016 :

At December 31, 2016	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
Financial Assets:				
Available for sale investments	1,127,543	-	86,229	**1,213,772**
Trade and other receivables	-	-	122,924	**122,924**
Due from related parties	-	-	100,911	**100,911**
Loan receivables from associate	-	316,000	-	**316,000**
Cash and bank balances	22,701	-	-	**22,701**
Total financial assets	**1,150,244**	**316,000**	**310,064**	**1,776,308**
Financial Liabilities:				
Trade and other payables	-	-	54,216	**54,216**
Due to related parties	-	-	34,202	**34,202**
Bank loan / Overdraft	-	341,356	-	**341,356**
Total financial liabilities	**-**	**341,356**	**88,418**	**429,774**

The following table sets out the Company's assets and liabilities that are measured and recognized at fair value at December 31, 2015 :

At December 31, 2015	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
Financial Assets:				
Available for sale investments	1,182,240	-	86,358	**1,268,598**
Trade and other receivables	-	-	132,824	**132,824**
Due from related parties	-	-	55,684	**55,684**
Loan receivables from associate	-	316,000	-	**316,000**
Cash and bank balances	25,481	-	-	**25,481**
Total financial assets	**1,207,721**	**316,000**	**274,866**	**1,798,587**
Financial Liabilities:				
Trade and other payables	-	-	25,904	**25,904**
Due to related parties	-	-	35,686	**35,686**
Bank loan	-	345,884	-	**345,884**
Total financial liabilities	**-**	**345,884**	**61,590**	**407,474**

31 Contingent liabilities

	2016 AED'000	2015 AED'000
Letters of guarantee	3,009	3,009
Letters of credit	330	2,412

32 Director's fees

These represent fees paid/payable to the Company's directors for serving on any committee, for devoting time and attention to the business or affairs of the Company and for otherwise performing services outside the scope of their ordinary activities. In accordance with the interpretation of Article 169 of the UAE Commercial Companies Law No. 2 of 2015, director's fees have been treated as an appropriation of retained earnings.

33 Operating leases

Leases as lessee

The Company has leased plots of land under operating leases on which residential flats for staff accommodation are located. These leases typically run for a period of one year, with an option to renew the lease after that date. The lease rentals are usually renewed to reflect market rentals.

Leases as lessor

The Company had leased residential villas on operating leases to earn rental income. These leases typically run for a period of one year, with an option to renew the lease after that date. The lease rentals are usually renewed to reflect market rentals.

34 Comparative figures

Certain comparative figures have been regrouped or reclassified to conform to the presentation adopted in these financial statements.

Notes to the financial statements for the year ended December 31, 2016 (Continued)

Schedule of property, plant and equipment

	Buildings	Plant and machinery	Furniture, fixtures and equipment	Motor vehicles	Capital work in progress	Total
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Cost						
At January 1, 2015	30,570	918,912	15,883	57,101	121	1,022,587
Additions	-	-	339	1,596	9,143	11,078
Disposals	-	-	-	(3,318)	-	(3,318)
Transfer from CWIP	-	-	-	-	-	-
At December 31, 2015	**30,570**	**918,912**	**16,222**	**55,379**	**9,264**	**1,030,347**
Additions	-	516	475	1,695	21,803	24,489
Disposals	-	-	(4)	(2,247)	-	(2,251)
Transfer from CWIP	-	-	-	-	-	-
At December 31, 2016	**30,570**	**919,428**	**16,693**	**54,827**	**31,067**	**1,052,585**
Depreciation						
At January 1, 2015	29,147	738,075	15,020	51,384	-	833,626
Charge for the year	230	13,456	560	3,044	-	17,290
On disposals	-	-	-	(3,270)	-	(3,270)
At December 31, 2015	**29,377**	**751,531**	**15,580**	**51,158**	**-**	**847,646**
Charge for the year	230	13,445	556	2,311	-	16,542
On disposals	-	-	(4)	(1,167)	-	(1,171)
At December 31, 2016	**29,607**	**764,976**	**16,132**	**52,302**	**-**	**863,017**
Net book value						
At December 31, 2016	**963**	**154,452**	**561**	**2,525**	**31,067**	**189,568**
At December 31, 2015	**1,193**	**167,381**	**642**	**4,221**	**9,264**	**182,701**

Depreciation for the year is allowed as under:

	2016	2015
	AED'000	AED'000
Cost of sales	14,964	15,792
Expenses	1,578	1,498
	16,542	**17,290**

Segment report for the year ended December 31, 2016

	2016			2015		
	Cement AED'000	**Available for sale investments and derivative products AED'000**	**Total AED'000**	**Cement AED'000**	**Available for sale investments and derivative products AED'000**	**Total AED'000**
Segment revenue						
Total revenue	253,484	60,360	313,844	261,541	68,865	330,406
Total revenue from external customers	253,484	60,360	313,844	261,541	68,865	330,406
Finance income	-	(60,360)	(60,360)	-	(68,865)	(68,865)
Revenue as per statement of comprehensive income	**253,484**	**-**	**253,484**	**261,541**	**-**	**261,541**
Cost of sales	(212,958)	-	(212,958)	(221,741)	-	(221,741)
Segment profit	40,526	60,360	100,886	39,800	68,865	108,665
Other income			33,332			45,611
Unallocated expenses			(45,746)			(61,389)
Share of net profit in associate			552			643
Net profit			89,024			93,530
Depreciation	16,542	-	16,542	17,290	-	17,290

National Cement Company (Public Shareholding Co.)
Dubai, United Arab Emirates

Notes to the financial statements for the year ended December 31, 2016 (Continued)

Segment report for the year ended December 31, 2016

	2016			2015		
	Cement AED'000	**Available for sale investments and derivative products AED'000**	**Total AED'000**	**Cement AED'000**	**Available for sale investments and derivative products AED'000**	**Total AED'000**
Addition to non current assets	24,489	201,743	226,232	11,078	292,875	303,953
Reportable segment assets	**493,851**	**1,213,772**	**1,707,623**	**451,575**	**1,268,598**	**1,720,173**
Investment properties			2,924			2,924
Investment in an associate			74,339			77,528
Loan receivable from associate			316,000			316,000
Total Assets			**2,100,886**			**2,116,625**
Reportable segment liabilities	**111,814**	**-**	**111,814**	**84,418**	**-**	**84,418**
Bank loan			341,356			345,884
Total Liabilities			**453,170**			**430,302**