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

Annual Report and Financial Statements
year ended December 31, 2017

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

Audit report and financial statements for the year ended December 31, 2017

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

BOARD OF DIRECTORS REPORT FOR THE YEAR ENDED ON 31.12.2017

Dear Shareholders,

"Assalam Alaikum"

On myself and 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 2017.

First : Production

The production of all types of cement for the year 2017 was 1,136,314 metric tons based on the market demand, while the corresponding Sales amounted to AED 204,838,363 (Two Hundred four Million eight Hundred thirty eight Thousand three sixty three Dirhams Only).

Second : Project

1. **For the Waste Heat Recovery Project and electric power generation As we were not able to obtain all the necessary approvals for the implementation of the project in terms of civil and mechanical works by the competent authorities, the project completion date had to be postponed until August 2018. but for linking and connecting the energy generated from the project with the Dubai Electricity and Water Authority (DEWA) network, approval has not yet been obtained and the French Consulting Company (EDF) has been mandated to obtain the required approval.**
2. **The Waste Heat Recovery Project and electric power generation capital expenditure amounted to about AED 54 million to date.**
3. **National Cement Company is studying and implementing the project to get benefit from the kiln dust containing large quantities of chloride for mixing with the cement produced in the mills section to reduce the cost of cement per ton. The cost of the project has been estimated at 1.5 million Dirham. The return from the project is expected to cover its cost in two years from the date of its operation.**
4. **As a part of increasing the operational efficiency on use of alternative fuel, the National Cement Company has been received the equipment and has been operating at a total cost of AED 2,800,000 (two million eight hundred thousand Dirhams). This project has enabled use of alternative energy of to be better sustainable with no environmental impact. It was**

Commercial Registration No. 41150
Vat Registration No. 100025345800003
Authorised and paid up Share Capital AED 358,800,000
P.O. Box 4041 Dubai - United Arab Emirates
Tel.: +971-4-3388885, Fax: +971-4-3388886

TÜV NORD ISO 9001

E-mail: sales@nationalcement.ae

سجل تجاري رقم ٤١١٥٠
رقم الضريبة القيمة المضافي: ١٠٠٠٢٥٣٤٥٨٠٠٠٠٣
راس المال المصرح به والمدفوع ٣٥٨،٨٠٠،٠٠٠ درهم
ص.ب : ٤٠٤١ دبي – الإمارات العربية المتحدة
هاتف : ٣٣٨٨٨٨٥-٤-٩٧١+ ، فاكس : ٣٣٨٨٨٨٦-٤-٩٧١+

Expected to have an annual savings about AED 7,200,000 (seven million two hundred thousand Dirhams) but with intensified of efforts we have been able to achieve saving of about 9.5 million Dirhams (nine million five hundred thousand Dirhams).

Third : Profit

The profit for the year ended 31st December 2017 amounts to AED 53,576,000 (fifty three Million five hundred seventy six Thousand Dirhams Only). After discussion on the Financial Statements, the Board of Directors has recommended paying dividend and appropriation of profit for the year 2017 as below:

1. A cash payment of 15% 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 the year.

Fourth: Balance Sheet

The company has completed its annual accounts and prepared the Financial Statements for the year ended 31.12.2017 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

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Vat Registration No. 100025345800003
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P.O. Box 4041 Dubai - United Arab Emirates
Tel.: +971-4-3388885, Fax: +971-4-3388886

E-mail: sales@nationalcement.ae

سجل تجاري رقم ٤١١٥٠
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راس المال المصرح به والمدفوع ٣٥٨،٨٠٠،٠٠٠ درهم
ص.ب: ٤٠٤١ دبي - الإمارات العربية المتحدة
هاتف: ٣٣٨٨٨٨٥-٤-٩٧١+، فاكس: ٣٣٨٨٨٨٦-٤-٩٧١+

+971 4 355 9533 +971 4 355 9544 admin@cnkhas.com www.cnkhas.com
Suite # 17.06, Sheikh Rashid Tower, Dubai World Trade Centre, Sheikh Zayed Road, P.O. Box 454442, Dubai, U.A.E

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 comprises the statement of financial position as at December 31, 2017, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then 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, 2017 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.

member of
INAA GROUP
AN INTERNATIONAL ASSOCIATION OF INDEPENDENT ACCOUNTING FIRMS
Branches & Associates: Mumbai • Vadodara • Chennai • Bengaluru • Pune • Ahmedabad

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 matters	**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 1.60 million and cumulative MTM gain is AED 46.27 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, 2017 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.

Key audit matters	How our audit addressed the key audit matter
Exposure to loans & receivables in an associate *Refer note 9 and 12 to the financial statements*	
As at year end, the company has an exposure of AED 400 million (2016: AED 392 million) in an associate consisting of AED 316 million (2016: AED 316 million) by way of loans and AED 84 million (2016: AED 76 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 three 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 22% 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 2017 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.
Change in investment in associate *Refer note 8 to the financial statements*	
As at the end of the financial year 2016 the effect of the investment in associate was given considering unaudited management accounts, as per which the balance of the share of investment in associate as per Equity method of IAS 28 was AED 74.34 million. The same is now determined as AED 256.79 million after considering the effect of the difference between unaudited management accounts for 2016, the audited financial statements for 2016 and unaudited management accounts for 2017. The share of Profit amounting to AED 0.55 million for the year 2016 as per management account of associate is now determined as a loss of AED 132.23 million for the financial year 2016 as per audited financial statement and a loss of AED 45.83 million for the financial year 2017.	The audited financial statements for the year 2016 and the financial statements for the year 2017 of the associate (unaudited) as certified by the management were reviewed to assess the value of the share in Associate as per the Equity method as per IAS 28. 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 2017 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 2017 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.

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.

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, 2017, 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, 2017.

For and on behalf of
CNK Hussain Alsayegh
Chartered Accountants

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

Hussain Nasser Hassan Alsayegh
Registration No.: 738
Date: March 21, 2018
Place: Dubai, UAE

NATIONAL CEMENT COMPANY (PUBLIC SHAREHOLDING CO.)
DUBAI, UNITED ARAB EMIRATES

STATEMENT OF FINANCIAL POSITION AT DECEMBER 31, 2017

	Note	2017 AED '000	2016 AED '000
NON CURRENT ASSETS			
Property, plant and equipment	5	224,486	189,568
Investment properties	6	2,924	2,924
Available for sale investments	7	1,234,498	1,213,134
Investment in an associate	8	256,790	74,339
Loan receivable from associate	9	260,898	260,898
TOTAL NON CURRENT ASSETS		**1,979,596**	**1,740,863**
CURRENT ASSETS			
Available for sale investments	7	701	638
Loan receivable from associate	9	55,102	55,102
Inventories	10	59,696	56,266
Trade and other receivables	11	87,997	124,405
Due from related parties	12	97,940	100,911
Bank balances and cash	13	18,895	22,701
TOTAL CURRENT ASSETS		**320,331**	**360,023**
CURRENT LIABILITIES			
Due to related parties	12	30,237	34,202
Bank loan / Overdraft	14	105,806	68,137
Trade and other payables	15	40,404	54,216
TOTAL CURRENT LIABILITIES		**176,447**	**156,555**
NET CURRENT ASSETS		**143,884**	**203,468**
NON CURRENT LIABILITIES			
Provision for employees' end of service gratuities	16	23,418	23,396
Bank loan	14	261,497	273,219
Total Non Current Liabilities		284,915	296,615
NET ASSETS		**1,838,565**	**1,647,716**
EQUITY			
Share capital	17	358,800	358,800
Share application money		26	26
Fair value reserve	18	550,573	504,299
General reserve	19	316,517	316,517
Statutory reserve	20	179,402	179,402
Foreign exchange reserve	8	304,138	(56,927)
Special reserve	21	-	38,129
Retained earnings		129,109	307,470
TOTAL EQUITY		**1,838,565**	**1,647,716**

These financial statements were approved and authorized for issue by the Board of Directors on March 14, 2018 and were signed on their behalf by:

Director **Director**

The notes on pages 13 to 41 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, 2017

	Note	2017 AED '000	2016 AED '000
Revenue		204,838	253,484
Cost of sales	23	(191,471)	(212,958)
Gross profit		**13,367**	**40,526**
Other income	24	34,598	33,332
		47,965	**73,858**
Administration, selling and general expenses	25	(30,848)	(30,368)
Profit before finance income and expense and before share of associate		**17,117**	**43,490**
Finance cost	26	(16,854)	(15,378)
Income from Investments (net)	27	53,311	60,360
Profit after finance income and expense and before share of associate		**53,574**	**88,472**
Share of net profit/(loss) in associate	8	(178,613)	552
Net profit/(loss) for the year		**(125,039)**	**89,024**
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	(1,608)	(2,023)
Change in foreign exchange reserve	8	361,064	(3,741)
Loss on derecognition of available for sale investments	7	47,882	(30,417)
Other comprehensive income for the year		**407,338**	**(36,181)**
Total comprehensive income for the year		**282,299**	**52,843**
Basic and diluted earnings per share (AED)	28	(0.35)	0.25

The notes on pages 13 to 41 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, 2017

	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, 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 year	-	-	(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	(56,926)	38,129	307,469	1,647,716
Balance as at January 1, 2017	358,800	26	504,299	316,517	179,402	(56,926)	38,129	307,469	1,647,716
Transfer on derecognition of available for sale investments to statement of comprehensive income	-	-	47,882	-	-	-	-	-	47,882
Total comprehensive income for the period	-	-	(1,608)	-	-	361,064	(38,129)	(86,910)	234,417
Transfer to special reserve (Note 21)	-	-	-	-	-	-	-	-	-
Dividend (Note 22)	-	-	-	-	-	-	-	(89,700)	(89,700)
Directors' fee (Note 32)	-	-	-	-	-	-	-	(1,750)	(1,750)
Balance as at December 31, 2017	358,800	26	550,573	316,517	179,402	304,138	-	129,109	1,838,565

The notes on pages 13 to 41 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, 2017

	Note	2017 AED '000	2016 AED '000
Cash flows from operating activities			
Net profit for the year		(125,039)	89,024
Adjustments for:			
Depreciation	5	15,044	16,542
(Gain) / loss on disposal of property, plant and equipment		(113)	(596)
Realized gain on disposal of available for sale investments	27	(62)	(3,208)
Loss on disposal of available for sale investments	27	2,588	7,713
Share of profit in an associate	8	178,613	(552)
Provision for employees' end of service gratuities	16	2,820	1,477
Interest expense	26	16,854	15,378
Interest income	24	(13,282)	(15,313)
Interest income from available for sale investments	27	(19,889)	(25,657)
Dividend income	27	(35,948)	(39,208)
Operating profit before working capital changes		**21,586**	**45,600**
Change in inventories	10	(3,430)	(2,193)
Change in trade and other receivables	11	36,408	9,231
Change in due from related parties	12	2,971	(45,227)
Change in trade and other payables	15	(13,812)	28,312
Change in due to related parties	12	(3,965)	(1,484)
Payment of end of service benefits	16	(2,798)	(909)
Net cash generated / (used) from operating activities		**36,960**	**33,330**
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(49,962)	(24,489)
Investment in available for sale investments	7	(267,294)	(201,743)
Proceeds from investment in associate	8	-	-
Repayment of loan from associate	9	-	-
Proceeds from disposal of property, plant and equipment	5	113	1,676
Proceeds from disposal of available for sale investments		289,616	219,624
Interest received	24	13,282	15,313
Interest income from available for sale investments	27	19,889	25,657
Dividend income	27	35,948	39,208
Net cash from investing activities		**41,592**	**75,246**
Cash flows from financing activities			
Dividend paid	22	(89,700)	(89,700)
Interest paid	27	(16,854)	(15,378)
Repayment of bank loans		(79,054)	(182,941)
Proceeds of bank loan / overdraft	14	105,000	178,413
Directors' fees	32	(1,750)	(1,750)
Net cash used in financing activities		**(82,358)**	**(111,356)**
Net increase / (decrease) in cash and cash equivalents		**(3,806)**	**(2,780)**
Cash and cash equivalents at beginning of the year	13	22,701	25,481
Cash and cash equivalents at end of the year		**18,895**	**22,701**

The notes on pages 13 to 41 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 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 properties and investment securities. The Company is listed on the Dubai Financial Market since 2005.

The financial statements for the year ended December 31, 2017 were authorized for issue by the Board of Directors on March 14, 2018.

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

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 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes. IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.

Sales of goods:

Under IFRS 15, revenue will be recognised when a customer obtains control of the goods.

Revenue will be recognised for the contracts to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognised will not occur. As a consequence, for those contracts for which the Company is unable to make a reasonable estimate of return, revenue is expected to be recognised sooner than when the return period lapses or a reasonable estimate can be made.

Based on the Company's assessment, the timing of revenue recognition from sale of goods are broadly similar. Therefore, the Company does not expect the application of IFRS 15 to result in significant differences in the timing of revenue recognition for these sales.

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

IFRS 9 Financial Instruments sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items including a new expected credit loss model for calculating impairment of financial assets, and new general hedge accounting requirements. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

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

a. Classification – financial assets

IFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics. IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The standard eliminates the existing IAS 39 categories of held to maturity, loans and receivables and available for sale.

Available for sale investments

Under IFRS 9, the Company will designate these investments as measured at FVTPL. Consequently, all fair value gains and losses will be reported in Profit and loss, no impairment losses will be recognised in OCI and no gains or losses will be reclassified to OCI on disposal.

The Company will opt for the exemption allowing it not to restate comparative information for prior periods with respect to classification and measurement (including impairment) changes. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of IFRS 9 will generally be recognised in equity as at 1 January 2018.

b. Classification – Financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification of financial liabilities. However, under IAS 39 all fair value changes of liabilities designated as at FVTPL are recognised in profit or loss, whereas under IFRS 9 these fair value changes are generally presented as follows:

–the amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI; and

–the remaining amount of change in the fair value is presented in profit or loss.

The Company has not designated any financial liabilities at FVTPL and it has no current intention to do so. The Company's assessment did not indicate any material impact regarding the classification of financial liabilities at 1 January 2018.

c. Impairment

IFRS 9 replaces the 'incurred loss' model in IAS 39 with a forward-looking 'expected credit loss' (ECL) model. This will require considerable judgement about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis. The new impairment model will apply to financial assets measured at amortised cost or FVOCI, except for investments in equity instruments, and to contract assets.

Based on the Company's assessment, company does not expect any material effect of ECL model.

Under IFRS 9, loss allowances will be measured on either of the following bases:

• 12-month ECLs: these are ECLs which result from possible default events within the 12 months after the reporting date; and

• Lifetime ECLs: these are ECLs which result from all possible default events over the expected life of a financial instrument.

Lifetime ECL measurement applies if the credit risk of a financial asset at the reporting date has increased significantly since initial recognition and 12-month ECL measurement applies if it has not. An entity may determine that a financial asset's credit risk has not increased significantly if the asset has low credit risk at the reporting date. However, lifetime ECL measurement always applies for trade receivables and contract assets without a significant financing component; the Company has a choice to also apply this policy for trade receivables and contract assets with a significant financing component.

The estimated ECL will be calculated based on actual credit loss experience. The Company will perform the calculation of ECL rates separately for different types of customers including related parties.

Actual credit losses will be adjusted based on the industry outlook to reflect differences between economic conditions during the period over which the historical data will be collected, prevalent conditions and the Company's view of economic conditions over the expected lives of the receivables and related party balances.

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

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 share based 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.

Annual improvements to IFRS Standards 2014-2016 Cycle (Applicable from January 1, 2018)

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.

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.

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.

Annual Improvements to IFRS Standards 2015–2017 Cycle.(Applicable from January 1, 2019.)

IFRS 3 Business Combinations:

-The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business.

IFRS 11 Joint Arrangements:-

-The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.

IAS 12 Income Taxes:

-The amendments clarify that all income tax consequences of dividends (i.e. distribution of profits) should be recognised in profit or loss, regardless of how the tax arises.
This will not be applicable to the company as there is 0% corporate tax in the region the company is registered.

IAS 23 Borrowing Costs:

-The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.

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.

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 asset 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 carried 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.

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 other comprehensive income, 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.

3 Significant accounting policies (continued)

• 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 other comprehensive income.

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 any 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).

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.

3 Significant accounting policies (continued)

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.

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.

3 Significant accounting policies (continued)

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.

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 year. 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.

3 Significant accounting policies (continued)

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 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.

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

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.

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 does not 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 39.
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, 2016	2,924	16,575	19,499
At December 31, 2016	2,924	16,575	19,499
At December 31, 2017	2,924	16,575	19,499
Depreciation			
At January 1, 2016	-	16,575	16,575
At December 31, 2016	-	16,575	16,575
At December 31, 2017	-	16,575	16,575
Net book value			
At December 31, 2017	**2,924**	-	**2,924**
At December 31, 2016	**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 March 2018. 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:	2017 AED '000	2016 AED'000
Rental Income	3,796	3,844
Direct operating expenses	239	422

At December 31, 2017 there were no restrictions on the realizability 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, 2017 there were no contractual obligations to purchase investment property (2016 : AED Nil).

7 Available for sale investments	2017 AED '000	2016 AED'000
Non current investments	1,234,498	1,213,134
Current investments	701	638
	1,235,199	1,213,772

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 investment in marketable securities at fair value is stated below:	2017 AED '000	2016 AED'000
Equity instruments	770,261	725,063
Other instruments	464,938	488,709
	1,235,199	1,213,772

Movement in available for sale investments at fair value are as follows:	2017 AED '000	2016 AED'000
Opening balance	1,213,772	1,268,598
Additions	267,294	201,743
Disposals/redeemed	(292,141)	(224,129)
Reclassification adjustments on disposal of investments	47,882	(30,417)
Fair value changes	(1,608)	(2,023)
	1,235,199	1,213,772

During the year, the Company has recognized a fair value loss of AED 1.6 million (2016 fair value loss of AED 2.02 million) to other comprehensive income.

At the date of statement of financial position, investments amounting to AED 94.01 million (2016: AED 99.38 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 334.46 million (2016: AED 339.46 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 486.03 million (2016: AED 506.42 million) are pledged with the bank against the loan of AED 367.30 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 sale investments at cost is stated below:	2017 AED '000	2016 AED'000
Equity instruments	190,011	189,995
Other instruments	494,599	519,462
	684,610	**709,457**

Movements in cost for available for sale investments are as follows:	2017 AED '000	2016 AED'000
Opening balance	709,457	731,843
Additions	267,294	201,743
Disposals	(292,141)	(224,129)
	684,610	**709,457**

The geographical distribution of available for sale investments is as follows:	2017 AED '000	2016 AED'000
United Arab Emirates	814,815	790,350
Kingdom of Saudi Arabia	176,712	171,873
Other countries	243,672	251,549
	1,235,199	**1,213,772**

8 Investment in an associate

Investment in an associate company represents 25.43% (2016: 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, 2017 based on the management accounts as at December 31, 2017. The difference in the audited accounts and management certified accounts is given effect in the subsequent year.

The following table summarizes the investment in Berber Cement Company Ltd:	2017 AED '000	2016 AED'000
Opening balance	74,339	77,528
Add: Foreign exchange translation reserve*	361,064	(3,741)
Add: Share of profit/(loss) in associate	(178,613)	552
	256,790	**74,339**

*Represents effect of changes share in net assets of the associate company for the financial year 2016 and 2017 as well as Share of profit/(loss) in associate on account of foreign exchange translation reserve.

The following table summarizes the financial information of the Company's investment in Berber Cement Company Ltd:	2017 AED '000	2016 AED'000
Share of net assets of associate (25.43%)		
Current assets	69,969	30,434
Non Current assets	532,841	163,386
Current liabilities	(284,257)	(68,566)
Non Current liabilities	(61,763)	(50,915)
Net Assets	**256,790**	**74,339**

	2017 AED '000	2016 AED'000
Share of associate's revenue and profit (25.43%)		
Revenue	98,552	55,258
Net profit/(loss)	(178,613)	552

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 = 0.57 AED on December 31, 2016 and 1 SDG = 0.52 AED on December 31, 2017. Foreign exchange translation reserve has been created to reflect the net differences.

As on January 31, 2018, on account of the Sudanese Government's decision to devalue the Sudanese pound against the USD, the rate of translation between Sudanese pound and AED was 1 SDG = 0.20 on January 31, 2018.

9 Loan receivable from associate

This amount represents AED denominated loan given to Associate and is recoverable in ten instalments 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

	2017 AED '000	2016 AED'000
Raw materials	10,110	10,067
Work in progress	24,501	21,411
Finished goods	2,975	2,686
Consumable and spare parts	22,110	22,102
	59,696	56,266

Inventories are stated net of allowance for slow moving and obsolete items. The cost of inventories recognized during the year is AED 103.94 million (2016: AED 114.83 million). Consumables and spare parts amounting to AED 7.12 million have been written off during the year.

11 Trade and other receivables

	2017 AED '000	2016 AED'000
Trade receivables	78,922	84,619
Allowance for doubtful debts*	(3,600)	(3,600)
	75,322	**81,019**
Advances and other receivables	12,028	41,905
Prepayments and other receivables	647	1,481
	87,997	**124,405**

Movement in allowance for doubtful debts is as under:	2017 AED '000	2016 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 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 62.48 million (2016: AED 61.47 million) and total value of collateral security is determined at AED 72.18 million (2016: AED 74.43 million).

11 Trade and other receivables (continued)

There are 4 customers (2016: 4 customers) who represents 53% (2016: 52%) of the total balance of trade receivables. AED 48.68 million (2016: AED 29.71 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 91.80 million which are past due at the reporting date based on its past experience.

Ageing of trade receivables is as under:	2017 AED '000	2016 AED'000
Amount not past due and not impaired	25,653	29,705
Amount past due but not impaired:		
0-30 days	10,625	15,429
31-60 days	6,868	10,317
61-90 days	9,093	7,570
91-120 days	6,942	8,622
121-180 days	9,820	4,604
Above 180 days	9,921	4,772
	53,269	**51,314**
Amount past due and impaired:		
Above 180 days	3,600	3,600
Total amount past due	**56,869**	**54,914**

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 year are as follows:	2017 AED '000	2016 AED'000
With an Associate		
- Interest Income	13,282	15,313
- Loan repaid	-	-
- Share in profit/(loss)	(178,613)	552
With Other related parties:		
- Sales	27,515	53,415
- Purchase of materials and services	9,797	9,451
- Dividend	89,700	89,700
With Key Management Personnel:		
Salaries and other short term benefits	3,437	3,286
End of service benefits charged	175	175
End of service benefits at year end	5,797	5,622
Directors' fee	1,750	2,000

Related party balances are as under:	2017 AED '000	2016 AED'000
Payables:		
To other related parties	28,487	32,202
To Director	1,750	2,000
Receivables:		
From Associate - others	84,110	76,024
From Associate - short term loan	55,102	55,102
From Associate - long term loan	260,898	260,898
From other related parties	13,830	24,887

13 Bank balances and cash

	2017 AED '000	2016 AED'000
Cash at hand	668	588
Current accounts with banks	18,227	22,113
	18,895	**22,701**

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 instalments 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 instalments 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 105 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 instalments payable after twelve months from the date of statement of financial position has been classified under non-current liabilities.

15 Trade and other payables

	2017 AED '000	2016 AED'000
Trade payables	26,680	31,886
Other accruals and payables	13,432	21,450
Advances	292	880
	40,404	**54,216**

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

	2017 AED '000	2016 AED'000
Opening balance	23,396	22,828
Provision created for the year	2,820	1,477
Payments made during the year	(2,798)	(909)
Closing balance	**23,418**	**23,396**

17 Share capital

	2017 AED '000	2016 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:

	2017 AED '000	2016 AED'000
Opening balance	504,299	536,739
Net movement in changes in fair value	(1,608)	(2,023)
Reclassification adjustments on disposal of investments	47,882	(30,417)
	550,573	**504,299**

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, 2017 as the reserve equalled 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. Accordingly balance of AED 38.13 million was transferred from this reserve to Retained earnings during the year 2017 representing the accumulated loss from the associate accounted till December 31, 2016.

22 Dividend

For 2016, 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 05, 2017. In 2015, a dividend of AED 89.7 million (AED 0.25 fils per share) was proposed and approved by the shareholders.

23 Cost of sales

	2017 AED '000	2016 AED'000
Material expenses	103,186	114,813
Utilities and other factory costs	53,306	63,188
Staff costs	21,172	19,994
Depreciation	13,807	14,963
	191,471	**212,958**

24 Other income

	2017 AED '000	2016 AED'000
Interest Income*	13,282	15,313
Rental income from investment properties	3,796	3,844
Other rental income	7,003	7,117
Income from sale of by-product and scraps	3,835	3,257
Gain on disposal of Property, plant and equipment	113	596
Other income	6,569	3,205
	34,598	**33,332**

*The above Interest income of AED 13.28 million is interest receivable on loan financed to associate company.

25 Administration, selling and general expenses

	2017 AED '000	2016 AED'000
Staff salaries and benefits	16,576	14,703
Staff accommodation	2,679	2,462
License fees	274	331
Insurance	476	538
Communications	134	140
Repair and maintenance	5,784	5,509
Travelling and conveyance expenses	133	122
Legal and professional	703	1,316
Electricity and water	300	476
Depreciation	1,237	1,578
Bank Charges	550	639
Other	2,002	2,554
	30,848	**30,368**

26 Finance Costs

	2017 AED '000	2016 AED'000
Interest on bank loan	16,670	15,328
Interest on bank overdraft	184	50
	16,854	**15,378**

The above includes AED 10.02 million interest paid on bank loan obtained to finance an associate and such interest is receivable from associate.

27 Income from Investments (net)

	2017 AED '000	2016 AED'000
Interest income from available for sale investments	19,889	25,657
Realized gain on disposal of available for sale investments	62	3,208
Dividend income	35,948	39,208
	55,899	**68,073**
Loss on disposal of available for sale investments	(2,588)	(7,713)
Financial expense	(2,588)	(7,713)
Income from Investments (net)	**53,311**	**60,360**

There was a reclassification adjustment on disposal of available for sale investments amounting to AED 47.88 million (2016: AED 30.41 million).

28 **Earnings per share**	**2017**	**2016**
Net profit attributable to shareholders (AED'000)	(125,039)	89,024
Weighted average number of shares	358,800,000	358,800,000
Earnings AED per share	**(0.35)**	**0.25**

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 79% (2016: 83%) 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 21% (2016: 17%) 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 and 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 40 and 41.

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

The Company undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise. The Company is exposed to currency rate risk of 'Sudanese Pound' for their investment in associate 'Berber Cement Company' of Sudan. The Company also undertakes transactions in US Dollar which has been pegged against the United Arab Emirates Dirham ("AED"), hence no exchange risk is considered to exist for US Dollar.

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 1.285 million (2016: 0.371 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 0.099 million (2016: AED 0.129 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 77.03 million (2016: AED 72.51 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 79% (2016: 69%) 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 53% (2016: 52%) 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. The swap contracts are not designated as hedges and accordingly are treated as free standing derivative contracts. At December 31, 2017 the Company has no outstanding interest rate swap contracts.

Financial instruments by category	**2017 AED '000**	**2016 AED'000**
Financial assets		
Available for sale investments	1,235,199	1,213,772
Loans and receivables:-		
Trade and other receivables	87,350	122,924
Due from related parties	97,940	100,911
Loan receivable from associate	316,000	316,000
Cash and bank balances	18,895	22,701
Financial liabilities		
Other financial liabilities:-		
Trade and other payables	40,404	54,216
Due to related parties	30,237	34,202
Bank loans / Overdraft	367,303	341,356

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, 2017:

At December 31, 2017	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
Financial Assets:				
Available for sale investments	1,152,966	-	82,233	**1,235,199**
Trade and other receivables	-	-	87,350	**87,350**
Due from related parties	-	-	97,940	**97,940**
Loan receivables from associate	-	316,000	-	**316,000**
Cash and bank balances	18,895	-	-	**18,895**
Total financial assets	**1,171,861**	**316,000**	**267,523**	**1,755,384**
Financial Liabilities:				
Trade and other payables	-	-	40,404	**40,404**
Due to related parties	-	-	30,237	**30,237**
Bank loan / Overdraft	-	367,303	-	**367,303**
Total financial liabilities	-	**367,303**	**70,641**	**437,944**

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	-	341,356	-	**341,356**
Total financial liabilities	-	**341,356**	**88,418**	**429,774**

31 Contingent liabilities

	2017 AED '000	2016 AED'000
Letters of guarantee	4,619	3,009
Letters of credit	4,607	330

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.

35 Subsequent events

Subsequent to the balance sheet date:

As on January 31, 2018, on account of the Sudanese Government's decision to devalue the Sudanese pound against the USD, the rate of exchange between the Sudanese pound and AED, 1 SDG = 0.20 AED (As on December 31, 2017 1 SDG = 0.52 AED).

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, 2016	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)
At December 31, 2016	**30,570**	**919,428**	**16,693**	**54,827**	**31,067**	**1,052,585**
Additions	-	19	308	2,045	47,590	49,962
Disposals	-	-	-	(2,130)	-	(2,130)
At December 31, 2017	**30,570**	**919,447**	**17,001**	**54,742**	**78,657**	**1,100,417**
Depreciation						
At January 1, 2016	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**
Charge for the year	230	12,785	503	1,526	-	15,044
On disposals	-	-	-	(2,130)	-	(2,130)
At December 31, 2017	**29,837**	**777,761**	**16,635**	**51,698**	-	**875,931**
Net book value						
At December 31, 2017	**733**	**141,686**	**366**	**3,044**	**78,657**	**224,486**
At December 31, 2016	**963**	**154,452**	**561**	**2,525**	**31,067**	**189,568**

Depreciation for the year is allowed as under:

	2017	2016
	AED'000	AED'000
Cost of sales	13,807	14,964
Expenses	1,237	1,578
	15,044	**16,542**

Segment report for the year ended December 31, 2017

	2017			2016		
	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	204,838	53,311	258,149	253,484	60,360	313,844
Total revenue from external customers	204,838	53,311	258,149	253,484	60,360	313,844
Finance income	-	(53,311)	(53,311)	-	(60,360)	(60,360)
Revenue as per statement of comprehensive income	**204,838**	-	**204,838**	**253,484**	-	**253,484**
Cost of sales	(191,471)	-	(191,471)	(212,958)	-	(212,958)
Segment profit	13,367	53,311	66,678	40,526	60,360	100,886
Other income			34,598			33,332
Unallocated expenses			(47,702)			(45,746)
Share of net profit in associate			(178,613)			552
Net profit			(125,039)			89,024
Depreciation	15,044	-	15,044	16,542	-	16,542

Segment report for the year ended December 31, 2017

	2017			2016		
	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	49,962	267,294	317,256	24,489	201,743	226,232
Reportable segment assets	489,014	1,235,199	1,724,213	493,851	1,213,772	1,707,623
Investment properties			2,924			2,924
Investment in an associate			256,790			74,339
Loan receivable from associate			316,000			316,000
Total Assets			2,299,927			2,100,886
Reportable segment liabilities	94,059	-	94,059	111,814	-	111,814
Bank loan			367,303			341,356
Total Liabilities			461,362			453,170