1 LEGAL INFORMATION AND ACTIVITIES

Oman Telecommunications Company SAOG (the "Parent Company" or the "Company") is an Omani joint stock company registered under the Commercial Companies Law of the Sultanate of Oman. The Company's principal place of business is located at Al Mawaleh, Muscat, Sultanate of Oman. The company's shares are listed at Muscat Securities Market.

The principal activities of the Company are the establishment, operation, maintenance and development of telecommunication services in the Sultanate of Oman.

The principal activities of the subsidiaries and associated companies of the Group, are set out below.

Name	Place of incorporation	Principal activities		Shareholding directly held by parent (%)	Shareholding directly held by the group (%)
Worldcall Telecom Limited	Pakistan	Engaged in the provision of Wireless Local loop, long distance international services (LDI), Payphones and cable television services	Subsidiary	56.8	56.8
Wordcall Telecommunications Lanka (Private Ltd.)	Sri Lanka	Engaged in the operations and maintenance of pay phone network	Subsidiary	-	70.65
Oman Data Park LLC	Sultanate of Oman	Engaged in the provision of data services	Subsidiary	60	60
Omania e-commerce LLC	Sultanate of Oman	Engaged in the provision of e-commerce services	Subsidiary	-	100
Omantel France SAS	France	Will be engaged in provision of wholesale services	Subsidiary	100	100
Oman Fiber Optic Company SAOG	Sultanate of Oman	Engaged in the manufacture and design of optical fibre and cables	Associate	40.96	40.96
Infoline LLC	Sultanate of Oman	Engaged in the provision of IT enabled services	Associate	45	45

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these interim consolidated financial statements are set out below. These policies have been consistently applied to the periods presented, unless otherwise stated.

2.1 Basis of preparation

(a) Statement of Compliance and Basis of measurement

The interim consolidated financial statements are prepared on the historical cost basis except as disclosed in the accounting policies below. The interim consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") and the disclosure requirements set out in the Rules for Disclosure and Proformas issued by the Capital Market Authority and comply with the requirements of the Commercial Companies Law of 1974, as amended. The accounting policies used in the preparation of the interim consolidated financial statements ("the financial statements") are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2014.

(b) Use of estimates and judgements

The preparation of interim consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires Management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the interim consolidated financial statements are disclosed in Note 4.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

(c) Adoption of new and revised IFRS

For the period ended 30 September 2015, the Group has adopted all of the new and revised standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for periods beginning on 1 January 2015.

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

Standards issued but not yet effective
A number of relevant new standards, amendments to standards and interpretations are not yet effective for the period ended 30 September 2015, and have not been applied in preparing these interim consolidated financial statements. None of these are expected to have a material effect on the interim consolidated financial statements of the Group, except for IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments, which becomes mandatory for the Group's 2018 consolidated financial statements. The Group is currently assessing the impact of IFRS 15 and IFRS 9 and plans to adopt the new standard on the required effective date.

2.2 Basis of consolidation

2.2.1 Subsidiary companies

The interim consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as at 30 September 2015. The Group has consolidated its subsidiary in Pakistan, Worldcall Telecom Limited based upon its management prepared accounts for the nine months ended 30 September 2015 on account of a technical issue in the accounting software. The Group believes that this does not have any material impact on the Consolidated financial statements.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

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

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

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Basis of consolidation (continued)

2.2.1 Subsidiary companies (continued)

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

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

2.2.2 Transactions with non-controlling interests

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

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

2.2.3 Investment in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining significant influence or joint control is similar to those necessary to determine control over subsidiaries. The Group’s investments in its associates are accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group’s share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The statement of profit or loss reflects the Group’s share of the results of operations of the associate. Any change in other comprehensive income of those investees is presented as part of the Group’s other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group’s share of profit or loss of an associate is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Basis of consolidation (continued)

2.2.3 Investment in associates (continued)

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, then recognises the loss as ‘Share of results of associates in the statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2.2.4 Business combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree’s identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss. It is then considered in the determination of goodwill.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IAS 39 Financial Instruments: Recognition and Measurement, is measured at fair value with changes in fair value recognised either in either profit or loss or as a change to OCI. If the contingent consideration is not within the scope of IAS 39, it is measured in accordance with the appropriate IFRS. Contingent consideration that is classified as equity is not re-measured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

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

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 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. The accounting policies of the reportable segments are the same as the Group's accounting policies described under note 2. Identification of segments and reporting are disclosed in note 6.

2.4 Service revenue

Revenue comprises fixed telephone, Global System for Mobile Communication (GSM), internet, telex and telegram revenue, equipment rentals and amounts derived from the sale of telecommunication equipment and other associated services falling within the Group's ordinary activities. Revenue from fixed lines, GSM and internet services is recognised when the services are provided, and is net of discounts and rebates allowed.

Revenue from rentals and installations is based on a time proportion basis and on actual installation of telecommunication equipment, respectively.

Sales of payphone and prepaid cards are recognised as revenue based on the actual utilisation of the payphone and prepaid cards sold.

Sales relating to unutilised payphone and prepaid cards are accounted for as deferred income. Interconnection income and expenses are recognised when services are performed. Subscription revenue from Cable TV, Internet over cable and channels subscription is recognised on provision of services.

Incentives are provided to customers in various forms and are usually offered on signing a new contract or as part of a promotional offering. Where such incentives are provided on connection of a new customer or the upgrade of an existing customer, revenue representing the fair value of the incentive, relative to other deliverables provided to the customer as part of the same arrangement, is deferred and recognised in line with the Group's performance of its obligations relating to the incentive.

In revenue arrangements including more than one deliverable, the arrangement consideration is allocated to each deliverable based on the fair value of the individual element. The Group generally determines the fair value of individual elements based on prices at which the deliverable is regularly sold on a standalone basis.

Dividend income is accounted for when the right to receive is established.

2.5 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Revenue from granting of IRU on submarine cables classified as a finance lease is recognised at the time of delivery and acceptance by the customer. The cost of IRU is recognised at the amount of the Group's net investment in leases. Amounts due from lessees under other finance leases are recorded as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Revenues from the sale of transmission capacity on terrestrial and submarine cables are recognised on a straight-line basis over the life of the contract.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Group as lessee

Rentals payable under operating leases are charged to the statement of income on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Finance income / costs

Interest income and expense are recognised using the effective interest rate (EIR). The EIR is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The EIR is the rate that exactly discounts estimated future cash payments through the expected life of the borrowings.

2.7 Factoring, collection and distribution fees

Factoring, collection and distribution fees comprise fees payable to factoring and collection agents and agents that sell prepaid cards. Fees payable to factoring agents are accounted for at the time of the assignment of receivables. Fees payable to collection agents are accounted for at the time of collection of the bills. Fees payable to selling agents are accounted for at the time of the sale of cards to the agents.

2.8 Foreign currency

(i) Transactions in foreign currencies are translated into Rial Omani at exchange rates ruling at the value dates of the transactions.

(ii) Monetary assets and liabilities denominated in foreign currencies are translated into Rial Omani at exchange rates ruling at the reporting date. The foreign currency gain or loss on monetary items is the difference between amortised costs in the Rial Omani at the beginning of the period, adjusted for effective interest and payments during the period and the amortised costs in foreign currency translated at the exchange rate at the end of the period. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

(iii) Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to Rial Omani at the exchange rate at the date that the fair value was determined. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available-for-sale, are included in other comprehensive income.

(iv) On consolidation, the assets and liabilities of foreign operations are translated into Rial Omani at the rate of exchange prevailing at the reporting date and their income statements are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the profit or loss in other operating expenses or other operating income. Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operations and translated at closing rate.

2.9 Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and identified impairment losses, if any. Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately, including major inspection and overhaul expenditure, is capitalised. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the item of property, plant and equipment and can be measured reliably. All other expenditure is recognised in the statement of income as an expense as incurred.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Property, plant and equipment (continued)

The cost of property, plant and equipment is written off in equal instalments over the expected useful lives of the assets. The estimated useful lives are:

	Years
Buildings	3- 20
Cables and transmission equipment	3- 30
Telephone exchanges, power equipment and related software	2 - 20
Telephone, telex and related equipment	1 - 5
Satellite communication equipment	5- 14
Furniture and office equipment	3 - 5
Motor vehicles and equipment	3 - 5

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each reporting date. Freehold land is not depreciated as it is deemed to have an indefinite life.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or where shorter, the term of the relevant lease.

Capital work-in-progress is not depreciated until it is taken to fixed assets when the asset is available for use.

Where the carrying amount of an asset is greater than its estimated recoverable amount it is written down immediately to its recoverable amount.

Gains and losses on disposals of property, plant and equipment are determined by reference to their carrying amounts and are taken into account in determining profit before taxation.

2.10 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Intangible assets (continued)

Amortisation

The estimated useful lives for the current and comparative years/period are as follows:

Licences	4 to 25 years
Patents and copyrights	10 years
Software	3-5 years

2.11 Investment property

Investment property, which is property held to earn rentals and / or for capital appreciation, is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains and losses arising from changes in the fair value of investment property are included in statement of income in the period in which they arise.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

2.12 Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on the first-in, first-out principle and includes expenditure incurred in purchasing stock and bringing it to its existing location and condition. Net realisable value is the price at which stock can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow-moving and defective items.

2.13 Financial instruments

(a) Non-derivative financial assets

The Group initially recognises loans and receivables on the date they are originated. All other financial assets (including assets designated as at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

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

- The rights to receive cash flows from the asset have expired
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass–through’ arrangement; and either:
  - The Group has transferred substantially all the risks and rewards of the asset; Or
  - The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass–through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group’s continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when and only when the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Financial instruments (continued)

The Group classifies non-derivative financial assets into the following categories:

Financial assets at fair value through profit or loss

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

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

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

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

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

Held-to-maturity investments

Investments with fixed or determinable payments and fixed maturity dates that the Group has the positive intent and ability to hold to maturity are classified as held to maturity investments. Held-to-maturity investments are recorded at amortised cost using the EIR method less any impairment, with revenue recognised on an effective yield basis. Held to maturity financial assets comprises debt securities.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to the intial recognition, loans and receivables are recognised at amortised cost using the effective interest method, less any impairment losses. Loans and receivables comprise cash and cash equivalents, trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short term commitments.

Available-for-sale financial assets

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

After initial measurement, available-for-sale financial investments are subsequently measured at fair value.

Unrealised gains and losses are recognised directly in equity (other comprehensive income) in the change in fair value of investments available-for-sale. When the investment is disposed of, the cumulative gain or loss previously recognised in equity is recognised in the profit or loss in other operating income. Interest earned whilst holding available-for-sale financial investments is reported as interest income using the EIR. Dividends earned whilst holding available-for-sale financial investments are recognised in the profit or loss as other operating income when the right of the payment has been established. The losses arising from impairment of such investments are recognised in the profit or loss in impairment for investments and removed from the change in fair value of investments available-for-sale.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Financial instruments (continued)

(b) Non derivative financial liabilities

(a) Borrowings

Borrowings are recognised initially at fair value, being their issue proceeds (fair value of consideration received) net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds, net of transaction costs, and the redemption value is recognised in the interim consolidated statement of income over the period of the borrowings using the effective interest method.

(b) Trade and other payables

Liabilities are recognised for amounts to be paid for goods and services received, whether or not billed to the Group, at amortised cost.

(c) Derivative financial instruments

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in the statement of income immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the interim consolidated statement of income depends on the nature of the hedge relationship.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months.

Hedge accounting

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument that is used in a hedging relationship is highly effective in offsetting changes in cash flows of the hedged item.

The effective portion of the changes in the fair value of the interest rate swap that is designated and qualifies as a cash flow hedge is deferred in equity. The gain or loss relating to the ineffective portion is recognised immediately in the interim consolidated statement of income.

Amounts deferred in equity are recycled in profit or loss in the periods when the hedged item is recognised in the interim consolidated statement of income.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss deferred in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred in equity is recognised immediately in the interim consolidated statement of income.

2.14 Non-current assets held for sale

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Such non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of reclassification.

Property, plant and equipment is not depreciated once classified as held for sale.

Property, plant and equipment classified as held for sale is disclosed in Note 5 (b).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.15 Impairment

(a) Non-financial assets

An impairment loss is recognised if the carrying amount of an asset or cash generating unit is higher than its recoverable amount. Recoverable amount is the greater of its value in use and its fair value less costs to sell. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specified to the asset.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(b) Financial assets

A financial asset not classified at fair value through profit or loss is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss events had an impact on the estimated future cash flows of that asset that can be estimated.

Objective evidence that financial assets are impaired include default or delinquency by a debtor, adverse change in the payment status etc. In addition for an investment in equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

2.16 Retirement benefits

End of service benefits are accrued in accordance with the terms of employment of the Group's employees in Oman at the reporting date, having regard to the requirements of the Oman Labour Law. Employee entitlements to annual leave and leave passage are recognised when they accrue to employees and an accrual is made for the estimated liability arising as a result of services rendered by employees up to the reporting date. These accruals are included in current liabilities, while those relating to end of service benefits are disclosed as non-current liabilities.

Contributions to a defined contribution retirement plan and occupational hazard insurance for Omani employees in accordance with the Omani Social Insurances Law of 1991 are recognised as an expense in the statement of income as incurred.

The Group's subsidiary in Pakistan operates an unfunded defined benefit gratuity plan for all permanent employees as per Group policy. Provisions are made in the financial statements to cover obligations on the basis of actuarial valuations carried out annually under the projected unit credit method.

All actuarial gains and losses are recognised in other comprehensive income as and when they occur.

2.17 Voluntary end of service benefits

Voluntary end of service benefits are recognized as expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if it is probable that the offer made by the Group will be accepted, and the number of acceptances can be estimated reliably.

2.18 Provisions

Provisions are recognised when the Group has present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation and a reliable estimate can be made of the amount to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the liability.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Taxation

Income tax expense comprises current and deferred tax. Taxation is provided in accordance with relevant fiscal regulations of the countries, in which the Group operates.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date and any adjustments to tax payable in respect of previous years.

Income tax is recognised in the profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Deferred tax assets/liabilities are calculated using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the reporting date.

The carrying amount of deferred income tax assets/liabilities is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

2.20 Directors' remuneration

Directors' remuneration is computed in accordance with the provisions of the Commercial Companies Law of 1974, as amended and the requirements of the Capital Market Authority in Oman and, in case of subsidiaries, in accordance with the relevant laws and regulations.

2.21 Dividend distribution

The Board of directors adopts a prudent dividend policy, which complies with regulatory requirements applicable in the Sultanate of Oman. Dividends are distributed in accordance with the Company's Memorandum of Association and are subject to the approval of shareholders. Dividend distribution to the Company's shareholders is recognised as a liability in the Group's interim consolidated financial statements only in the period in which the dividends are approved by the Company's shareholders.

2.22 Loyalty programme

The Group has a customer loyalty programme whereby customers are awarded credits ("Points") based on the usage of products and services, entitling customers to the right to redeem the accumulated points via specified means. The fair value of the consideration received or receivable in respect of the initial sale is allocated between the Points and the other components of sale. The amount allocated to Points is estimated by reference to the fair value of the right to redeem it at a discount for the products of the Group or for products or services provided by third parties. The fair value of the right to redeem is estimated based on the amount of discount, adjusted to take into account the expected forfeiture rate. The amount allocated to Points is deferred and included in deferred revenue. Revenue is recognized when these Points are redeemed and the Group has fulfilled its obligations to the customer. Deferred revenue is also released to revenue when it is no longer considered probable that the Points will be redeemed.

2.23 Royalty

Royalty is payable to the Telecommunication Regulatory Authority of the Sultanate of Oman on an accrual basis.

2.24 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When applicable, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.24 Fair value measurement (continued)

When there is no quoted price in an active market, the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price i.e. the fair value of the consideration given or received. If the Group determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is supported wholly by observable market data or the transaction is closed out.

3 FINANCIAL RISK MANAGEMENT

Financial instruments carried in the consolidated statement of financial position comprise investments, cash and cash equivalents, receivables, payables, borrowings and derivative financial instruments.

3.1 Financial risk factors

Overview
The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established the Executive Committee which is responsible for developing and monitoring the Group's risk management policies. The Committee reports regularly to the Board of Directors on its activities. The Management team develops methods of monitoring the Group's risk management policies, and reports to the Executive Committee who in return report to the Board of Directors.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group Audit Committee oversees how Management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

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

(i) Credit risk
(ii) Liquidity risk
(iii) Market risk

(i) Credit risk

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

Trade and other receivables
The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

The Group has established credit policies and procedures that are considered appropriate for a licensed service provider commensurate with the nature and size of receivables. Credit limits for customers are established based on the amount of receivables and age of debts. In monitoring customer credit risk, customers are segmented according to their credit characteristics in the following categories:

- Private individual customers
- Corporate customers
- Government customers
- Amounts due from operators

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(i) Credit risk (continued)

The potential risk in respect of amounts receivable from private customers and corporate customers in Sultanate of Oman are significantly mitigated by factoring these receivables to an external agent. Under the terms of the factoring agreement the agent provides adequate cover in the form of a bank guarantee for the receivables assigned. The factoring agent has recourse to the Company based on certain agreed credit control norms. Credit risk on other trade debtors is limited to their carrying values as the management regularly reviews these balances whose recoverability is in doubt.

At the reporting date, trade receivable from the factoring agent approximate to 29.05% (31 December 2014: 28.42%) of the Group's total trade receivables. The factoring agent has provided a bank guarantee of RO 10.5 million to the Group. The bank guarantee provided by the factoring agent represents 27.34% (31 December 2014: 28.25%) of the amounts due from them at the reporting date.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this loss are a specific loss component that relates to individual exposures and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

Investments

The Group limits its exposure to credit risk by only investing in liquid securities and only with counterparties which have a good credit rating. Given good credit ratings and liquidity, Management does not expect any counterparty to fail to meet its obligations.

(ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivery of cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition the Group has access to credit facilities.

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices which will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign currency risk

The Group's main exposure to foreign exchange volatility within shareholder's equity arises from its investment in a company based in Pakistan. This investment is not hedged as the related currency positions are considered to be long term in nature.

The subsidiary foreign currency risk arises mainly from receivables, payables and borrowings. The foreign currency payables are substantially hedged against receivables. Foreign currency risk on borrowing is not hedged.

In respect of other transactions of the Group, they are primarily in Rials Omani and the Group's performance is substantially independent of changes in foreign currency rates as its foreign currency dealings are principally in US Dollars. The US Dollar and Omani Rial exchange rate have remained unchanged since 1986. There are no significant financial instruments denominated in foreign currency other than US Dollars and consequently Management believes that foreign currency risk on other monetary assets and liabilities is not significant.

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

Interest rate risk
The Group is exposed to interest rate risk as entities in the Group borrow funds at both fixed and floating interest rates. Hedging activities are evaluated by the Group treasury regularly to align with interest rate views and defined risk appetite ensuring that optimal hedging strategies are applied by either positioning the interim consolidated statement of financial position or protecting the interest expense through different interest rate cycles.

Other market price risk
Equity price risk arises from investments held for trading and at fair value through profit or loss. The primary goal of the Group's investment strategy is to maximise investment returns on surplus cash available. Management is assisted by external advisors in this regard. In accordance with this strategy certain investments are designated at fair value through profit or loss because their performance is actively monitored and they are managed on a fair value basis.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors both the demographic spread of shareholders as well as return on the shareholders' equity.

Management is confident of maintaining the current level of profitability by enhancing top line growth and prudent cost management. Neither the Company nor its Oman subsidiary is subject to externally imposed capital requirements, other than the requirements of the Commercial Companies Law of 1974, as amended.

3.2 Fair value estimation

Investments
The fair value of investments is estimated by reference to the current market value of similar instruments or by reference to the discounted cash flows of the underlying net assets.

Derivatives
The fair value of interest rate swaps is measured at the present value of future cash flows estimated as the difference between the contractual interest rate and the applicable LIBOR curve for the residual maturity of the contract and discounted based on the LIBOR curve derived from the yield curve.

Financial assets and liabilities
The fair values of other financial assets and liabilities approximate their carrying amounts as presented in the interim consolidated statement of financial position.

Relevant details relating to fair value are set out in note 46.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the interim consolidated financial statements requires management to make estimates and assumptions that affect the reported amount of financial assets and liabilities at the reporting date and the resultant provisions and changes in fair value. Such estimates are necessarily based on assumptions about several factors involving varying, and possibly significant, degrees of judgment and uncertainty. Actual results may differ from Management's estimates resulting in future changes in estimated liabilities and assets.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Impairment of accounts receivable

An estimate of the collectible amount of trade accounts receivable is made when collection of the full amount is no longer considered probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due, based on historical recovery rates.

At the reporting date, trade accounts receivable amounted to RO 132.329 million (31 December 2014: RO 130.766 million), and the provision for doubtful debts is RO 47.804 million (31 December 2014: RO 47.304 million). Any difference between the amounts actually collected in future periods and the amounts expected to be collected will be recognised in the statement of income.

Impairment of inventories

Inventories are stated at the lower of cost and net realisable value. When inventories become old or obsolete, an estimate is made of their net realisable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on historical prices.

At the reporting date, inventories amounted to RO 13.544 million (31 December 2014: RO 13.486 million) with provision for old and obsolete inventories of RO 3.775 million (31 December 2014: RO 3.128 million). Any difference between the amounts actually realised in future periods and the amounts recognised are dealt with in the statement of income.

Impairment of goodwill

For impairment of goodwill, please refer to note 9.

Useful lives of property, plant and equipment

Depreciation is charged so as to allocate the cost of assets over their estimated useful lives. The calculation of useful lives is based on Management's assessment of various factors such as the operating cycles, the maintenance programs, and normal wear and tear using its best estimates.

Taxes

Uncertainties exist with respect to the interpretation of tax regulations and the amount and timing of future taxable income. Given the wide range of business relationships and nature of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of finalisation of tax assessments of the Group. The amount of such provisions is based on various factors, such as experience of previous tax assessments and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

5 DISCONTINUED OPERATIONS

a) Worldcall Telecom Limited holds 70.65% of voting securities in Worldcall Telecommunications Lanka (Private) Limited, incorporated in Sri Lanka.

   The Group's foreign subsidiary namely Worldcall Telecommunications Lanka (Private) Limited has been reporting losses since last many years as the demand for payphones in Sri Lanka has greatly diminished. Keeping in view, the Sri Lankan market conditions and negative equity of the subsidiary, the management has decided and approved the winding up of the subsidiary. The investment in subsidiary is classified as discontinued operations. This does not have any material impact on the Group's results.

5 DISCONTINUED OPERATIONS (continued)

b) The Passive infrastructure such as towers, civil works and gensets of wireless broadband operations of a subsidiary is classified as held for sale following a commitment in September 2014 by management of the subsidiary in Pakistan. In this behalf, an agreement has been signed, which was subject to due diligence inter alia, No Objection Certificates (NOC) from financial institutions and necessary approvals. The management is of the view that same shall result in major reduction in operational costs of the subsidiary.

6 SEGMENT REPORTING

Information regarding the Group's operating segments is set out below in accordance with IFRS 8 - Operating segments. IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating decision maker in order to allocate resources to the segment and to assess its performance. There has not been a change in segment reporting compared to the previous period as the Group's internal reporting is based on a risks and rewards approach.

Products and services from which reportable segments derive their revenues

At 30 September 2015, the Group is organised into two main business segments:

Fixed line and others
Provision of international and national calls from fixed lines, including rentals and installations of fixed telephones and internet services (fixed lines and other) and services rendered by Wholesale business division. This segment includes the operations of Worldcall Telecom Limited which is engaged in the provision of Wireless Local loop, LDI, Payphones and cable television services in Pakistan.

Mobile
Operation of Global System for Mobile Communication (GSM) for prepaid and post-paid services, equipment rentals and amounts derived from the sale of telecommunication equipment and other associated services falling within the Group's ordinary activities (mobile).

Segment revenues and results

Segment result represents the profit earned by each segment without allocation of finance income and finance costs. This is the measure reported to the Group's Board of Directors for the purposes of resource allocation and assessment of segment performance.

Inter-segment sales are charged at prevailing market prices. The segment results for the period ended 30 September 2015 are as follows:

	Fixed line and other RO'000	*Mobile RO'000*	*Consolidation adjustments RO'000*	*Total RO'000*
Revenue				
External sales	**134,740**	**248,539**	**-**	**383,279**
Inter-segment sales	**61,178**	**6,067**	**(67,245)**	**-**
Total revenue	**195,918**	**254,606**	**(67,245)**	**383,279**
Segment result	**33,869**	**65,771**	**-**	**99,640**
Finance income				**1,982**
Finance cost				**(4,224)**
Other non-operating income				**3,557**
Profit before taxation				**100,955**
Taxation				**(16,064)**
Profit for the period				**84,891**

6 SEGMENT REPORTING (continued)

Segment revenues and results (continued)

The segment results for the period ended 30 September 2014 were as follows:

	Fixed line and other RO'000	*Mobile RO'000*	*Consolidation adjustments RO'000*	*Total RO'000*
Revenue				
External sales	130,262	227,306	-	357,568
Inter-segment sales	54,544	8,142	(62,686)	-
Total revenue	184,806	235,448	(62,686)	357,568
Segment result	33,732	66,202	-	99,934
Finance income				4,885
Finance cost				(4,824)
Other non-operating income				9,302
Profit before taxation				109,297
Taxation				(18,572)
Profit for the period				90,725

Other segment items for the period ended 30 September 2015 included in the statement of income are as follows:

	Fixed line and other RO'000	***Mobile RO'000***	***Total RO'000***
Depreciation	**33,831**	**28,091**	**61,922**
Amortisation	**2,893**	**2,159**	**5,052**

Other segment items for the period ended 30 September 2014 included in the statement of income are as follows:

	Fixed line and other RO'000	*Mobile RO'000*	*Total RO'000*
Depreciation	31,750	22,829	54,579
Amortisation	2,913	2,063	4,976

The segment assets and liabilities at 30 September 2015 and capital expenditures for the period ended are as follows:

	Fixed line and other RO'000	***Mobile RO'000***	***Consolidation adjustments RO'000***	***Total RO'000***
Assets	**522,812**	**422,437**	**(135,078)**	**810,171**
Liabilities	**298,284**	**65,296**	**(110,509)**	**253,071**
Capital expenditures	**45,409**	**42,723**	**-**	**88,132**

The segment assets and liabilities at 31 December 2014 and capital expenditures for the year then ended are as follows:

	Fixed line and other RO'000	*Mobile RO'000*	*Consolidation adjustments RO'000*	*Total RO'000*
Assets	504,559	414,399	(84,784)	834,174
Liabilities	246,614	74,506	(57,018)	264,102
Capital expenditures	81,239	68,567	-	149,806

6 SEGMENT REPORTING (continued)

Secondary reporting format

Secondary reporting is provided on the basis of geographic regions. Revenue is determined by location of assets which is not different from revenue by location of customer.

30 September 2015	***Sultanate of Oman RO'000***	***Pakistan RO'000***	***Consolidation adjustments RO'000***	***Total RO'000***
Total gross segment revenue	**377,740**	**5,614**	**(75)**	**383,279**
Assets	**873,133**	**72,116**	**(135,078)**	**810,171**
Capital expenditure	**86,998**	**1,134**	**-**	**88,132**

30 September 2014	*Sultanate of Oman RO'000*	*Pakistan RO'000*	*Consolidation adjustments RO'000*	*Total RO'000*
Total gross segment revenue	350,436	7,132	-	357,568
Assets	771,518	82,194	(65,709)	788,003
Capital expenditure	102,809	3,682	-	106,491

7 PROPERTY, PLANT AND EQUIPMENT

(a) The Board of Directors considers that leasehold land made available by the Government for its operations in the Sultanate of Oman will continue to be made available for the Group's use over the useful economic life of the assets that are situated on such leasehold lands.

(b) *Assets pledged as security*

Property, plant and equipment of a subsidiary with a carrying amount of RO 39.41 million (31 December 2014: RO 42.206 million have been pledged to secure borrowings of the Group.

In addition, the Group's obligations under finance leases (see note 21) are secured by the lessor's title to the leased assets, which have a carrying amount of RO 1.849 million (31 December 2014: RO 1.632 million).

7 PROPERTY, PLANT AND EQUIPMENT (continued)

	Freehold land	*Buildings*	*Network infrastructure and equipment*	*Furniture and office equipment*	*Motor vehicles and equipment*	*Capital work- in- progress*	*Total*
	RO'000	*RO'000*	*RO'000*	*RO'000*	*RO'000*	*RO'000*	*RO'000*
Cost							
1 January 2015	**1,199**	**77,898**	**1,017,620**	**35,416**	**3,862**	**60,542**	**1,196,537**
Additions	**-**	**17**	**6,469**	**82**	**856**	**80,708**	**88,132**
Transfers	**-**	**2,107**	**73,750**	**1,389**	**-**	**(77,246)**	**-**
Transfers to other assets	**-**	**-**	**-**	**-**	**-**	**(2,208)**	**(2,208)**
Net foreign currency exchange differences	**(2)**	**(31)**	**(2,005)**	**(26)**	**(4)**	**(89)**	**(2,157)**
Disposals	**-**	**(757)**	**(14,924)**	**(3,418)**	**(949)**	**-**	**(20,048)**
30 September 2015	**1,197**	**79,234**	**1,080,910**	**33,443**	**3,765**	**61,707**	**1,260,256**
Depreciation							
1 January 2015	**-**	**42,483**	**654,608**	**31,684**	**2,394**	**-**	**731,169**
Charge for the period	**-**	**3,060**	**56,840**	**1,643**	**379**	**-**	**61,922**
Net foreign currency exchange differences	**-**	**15**	**(838)**	**90**	**38**	**-**	**(695)**
Disposals	**-**	**(681)**	**(9,548)**	**(3,323)**	**(817)**	**-**	**(14,369)**
Reclassification	**-**	**-**	**47**	**(47)**	**-**	**-**	**-**
30 September 2015	**-**	**44,877**	**701,109**	**30,047**	**1,994**	**-**	**778,027**
Net book value at 30 September 2015 (unaudited)	**1,197**	**34,357**	**379,801**	**3,396**	**1,771**	**61,707**	**482,229**

7 PROPERTY, PLANT AND EQUIPMENT (continued)

	Freehold land RO'000	*Buildings RO'000*	*Network infrastructure and equipment RO'000*	*Furniture and office equipment RO'000*	*Motor vehicles and equipment RO'000*	*Capital work-in- progress RO'000*	*Total RO'000*
Cost							
1 January 2014	1,198	72,398	905,133	33,953	3,426	41,937	1,058,045
Additions	-	6	5,397	547	941	142,915	149,806
Transfers	-	5,121	115,878	1,141	-	(122,140)	-
Transfer to other assets	-	-	-	-	-	(2,272)	(2,272)
Transfer to held for sale (Note 5 b)	-	-	(8,388)	-	-	-	(8,388)
Transfer from investment property (note 8)	-	377	-	-	-	-	377
Net foreign currency exchange differences	1	7	1,851	21	12	102	1,994
Disposals	-	(11)	(2,251)	(99)	(517)	-	(2,878)
Reclassification	-	-	-	(147)	-	-	(147)
31 December 2014	1,199	77,898	1,017,620	35,416	3,862	60,542	1,196,537
Depreciation							
1 January 2014	-	38,382	589,512	29,176	2,255	-	659,325
Charge for the year	-	4,104	67,372	2,639	547	-	74,662
Transfer to held for sale (Note 5 b)	-	-	(3,149)	-	-	-	(3,149)
Impairment	-	-	517	-	-	-	517
Net foreign currency exchange differences	-	8	462	12	-	-	482
Disposals	-	(11)	(106)	(94)	(408)	-	(619)
Reclassification	-	-	-	(49)	-	-	(49)
31 December 2014	-	42,483	654,608	31,684	2,394	-	731,169
Net book value							
At 31 December 2014 (audited)	1,199	35,415	363,012	3,732	1,468	60,542	465,368

8 INVESTMENT PROPERTY

	Unaudited 30 September 2015 RO'000	*Audited 31 December 2014 RO'000*
Opening balance	**87**	588
Transfer to property, plant and equipment (note 7)	**-**	(377)
Fair value adjustments	**-**	(154)
Net foreign currency exchange difference	**(3)**	30
	84	87

9 GOODWILL

	Unaudited 30 September 2015 RO'000	*Audited 31 December 2014 RO'000*
Opening balance	**14,735**	14,370
Effect of foreign currency exchange difference	**(464)**	365
	14,271	14,735

Test for impairment of investment in Worldcall Telecom Limited ("WTL")

The Group performed its annual impairment test in September 2014 and assessed the recoverable amount of goodwill and determined that the recoverable amount is more than the carrying amount. During the nine month period ended 30 September 2015, WTL has incurred significant losses, which exceeded the budgeted loss for the full year ending 31 December 2015. As a result, management performed an impairment test as at 30 September 2015.

The recoverable amount of the investment in WTL was assessed by reference to the fair value. Fair value is determined by Sum of the Parts valuation which values each division in the Company independently and is summed up to arrive at the equity value. The value of the division is assessed by Discounted cash flow method which uses projection over a period of 8 years and a Weighted average cost of capital of 16.5%. Cash flow projections beyond the eight year period have been extrapolated using a steady annual growth rate of 2% which is the projected long term average growth rate for the business. Management believes that the calculation is highly sensitive to the cash flow projections and the cost of capital. An increase in the cost of capital to 23% would have resulted in an impairment loss at 30 September 2015 of RO 2.1 million assuming all other variables remain constant.

10 OTHER INTANGIBLE ASSETS

	Licenses RO'000	*Patents and copyrights RO'000*	*Software RO'000*	*Subscriber acquisition costs RO'000*	*Total RO'000*
Cost					
At 1 January 2014	63,270	8	19,739	161	83,178
Addition during the year	-	-	1,942	-	1,942
Adjustment	-	-	202	-	202
Reclassification	-	-	(4)	-	(4)
Adjustments	-	-	147	-	147
Net foreign currency exchange differences	218	-	1	-	219
At 31 December 2014 (audited)	63,488	8	22,027	161	85,684
At 1 January 2015	**63,488**	**8**	**22,027**	**161**	**85,684**
Additions during the period	**7,657**	**-**	**2,112**	**-**	**9,769**
Write off	**-**	**-**	**(2,718)**	**-**	**(2,718)**
Net foreign currency exchange difference	**(274)**	**-**	**(2)**	**-**	**(276)**
At 30 September 2015 (unaudited)	**70,871**	**8**	**21,419**	**161**	**92,459**
Amortisation					
At 1 January 2014	32,773	6	16,043	161	48,983
Charge for the year	4,032	-	2,501	-	6,533
Reclassification	-	-	49	-	49
Net foreign currency exchange difference	51	1	-	-	52
At 31 December 2014 (audited)	36,856	7	18,593	161	55,617
At 1 January 2015	**36,856**	**7**	**18,593**	**161**	**55,617**
Charge for the period	**3,251**	**-**	**1,801**	**-**	**5,052**
Write off	**-**	**-**	**(2,718)**	**-**	**(2,718)**
Net foreign currency exchange differences	**(169)**	**(1)**	**(1)**	-	**(171)**
At 30 September 2015 (unaudited)	**39,938**	**6**	**17,675**	**161**	**57,780**
Net book value					
At 30 September 2015 (unaudited)	**30,933**	**2**	**3,744**	**-**	**34,679**
31 December 2014 (audited)	26,632	1	3,434	-	30,067

The charge for the period includes an amount of RO nil (30 September 2014: RO 11 thousands) capitalized during the period. Licenses of the subsidiary are assigned to IGI Investment Bank limited, trustee of Term Finance Certificate III (refer note 21). The carrying amount of licenses is RO 4.8 million (31 December 2014: RO 5.4 million).
During the period, an amount to RO 7.654 Million was paid to Telecom Regulatory Authority (TRA) for spectrum license

11 INVESTMENT IN ASSOCIATED COMPANIES

(a) The share of post-acquisition profits and the carrying value of the investments in associated companies are as follows:

	Unaudited 30 September 2015 RO'000	*Audited 31 December 2014 RO'000*
Opening balance	**9,399**	6,778
Share of results	**348**	3,301
Dividend received	**(827)**	(680)
Closing balance	**8,920**	9,399

(b) The fair value of the parent company's investment in Oman Fiber Optic Company SAOG, which is listed on the Muscat Securities Market, is RO 13.505 million as at 30 September 2015 (31 December 2014: RO 12.302 million) as compared to the carrying value of RO 8.32 million (31 December 2014: RO 8.66 million).

(c) The summarised financial information of the principal associates are as follows:

	Assets RO'000	***Liabilities RO'000***	***Revenues RO'000***	***Profit RO'000***	***Percentage shareholding***
30 September 2015					
Oman Fiber Optic Co. SAOG	**39,068**	**22,147**	**14,813**	**573**	**40.96**
Infoline LLC	**2,660**	**1,014**	**4,599**	**251**	**45**
30 September 2014					
Oman Fiber Optic Co. SAOG	30,711	14,488	17,137	5,838	40.96
Infoline LLC	2,194	589	2,512	126	45
31 December 2014					
Oman Fiber Optic Co. SAOG	31,292	13,034	23,314	7,873	40.96
Infoline LLC	2,080	475	3,414	168	45

12 OTHER FINANCIAL ASSETS

	Current		***Non-current***	
	Unaudited 30 September 2015 RO'000	*Audited 31 December 2014 RO'000*	***Unaudited 30 September 2015 RO'000***	*Audited 31 December 2014 RO'000*
Investments at fair value through profit or loss				
Financial assets designated as at fair value through profit or loss (a)	**-**	799	**27,752**	26,260
Held for trading investments (b)	**26,201**	17,787	**-**	-
Available for sale investment carried at cost				
Mutual fund and unquoted equity (c)	**-**	-	**1,825**	1,970
Available for sale investment carried at fair value				
Quoted investments	**353**	281	**249**	204
Held to maturity investments				
Bonds (d)	**6,371**	-	**10,420**	16,791
Long term deposits at cost				
Deposits with financial institutions		-	**120**	4
Margin deposits (e)	**338**	376	**-**	-
Fixed deposits with banks (f)	**38,253**	71,002	**-**	-
Others	**-**	-	**206**	217
Long term receivables				
Trade receivables	**-**	-	**349**	415
Loans carried at amortised cost				
Loans and advances to employees (g)	**135**	141	**11**	14
	71,651	90,386	**40,932**	45,875

12 OTHER FINANCIAL ASSETS (continued)

(a) Financial assets designated as at fair value through profit or loss

	Carrying amount as at 31 December 2014 RO'000	*Movement during the period RO'000*	*(Loss)/gains recognised in profit or loss RO'000*	*Carrying amount as at 30 September 2015 RO'000*
Unquoted				
Equities	**7,917**	**1,525**	**319**	**9,761**
Fixed income instruments	**1,698**	**1,011**	**-**	**2,709**
Mutual funds	**13,807**	**2,406**	**(931)**	**15,282**
	23,422	**4,942**	**(612)**	**27,752**
Quoted equity instrument				
Quoted equity investment	**3,637**	**(3,637)**	**-**	**-**
	27,059	**1,305**	**(612)**	**27,752**

(b) Held for trading investments

Held for trading investments represent quoted marketable securities. These investments are valued at quoted market price at the reporting date.

(c) Available for sale investment carried at cost

Available for sale investment represents investment in a mutual fund and unquoted equities. The investment is carried at cost less impairment due to unavailability of fair value.

(d) Held to maturity investment

Held to maturity investments represents investment in bonds as set out below:

Current	***Unaudited* 30 September 2015 RO '000**	*Audited 31 December 2014 RO'000*	***Effective rate of interest (p.a.)***	***Maturity (year)***
Quoted				
Bonds	**5,771**	-	**8%**	**2016**
Unquoted				
Subordinated bonds	**1,420**	-	**4.5%**	**2016**
Non-current				
Quoted				
Bonds	**-**	5,771	**8%**	**2016**
Subordinated notes	**-**	1,420	**5.5%**	**2017**
Unquoted				
Subordinated notes	**5,000**	5,000	**5.757%**	**2018**
Islamic bonds	**1,000**	1,000	**5%**	**2018**
Subordinated bonds	**600**	600	**4.5%**	**2016**
Subordinated notes	**1,000**	1,000	**4%**	**2019**
Subordinated notes	**2,000**	2,000	**6.5%**	**2017**
	16,791	16,791		

(e) Margin deposits

Margin deposits include deposits placed with banks against various guarantees and letters of credit.

(f) Fixed deposits

Fixed deposits are placed with commercial banks. The weighted average annual interest rate on these deposits is 2.1% (2014:3%).

(g) Loans and advances to employees

Loans and advances to employees are unsecured and interest free and include advances given to key management personnel of a subsidiary of RO 0.018 million (2014: RO 0.049 million).

13 INVENTORIES

	Unaudited 30 September 2015 RO'000	*Audited 31 December 2014 RO'000*
Stores and spares	**11,188**	11,290
Prepaid cards and handsets	**2,356**	2,196
	13,544	13,486
Provision for inventory obsolescence	**(3,775)**	(3,128)
	9,769	10,358

The movement in the provision for inventory obsolescence is as follows:

	Unaudited 30 September 2015 RO'000	*Audited 31 December 2014 RO'000*
Opening balance	**3,128**	3,406
Charge for the period / year	**652**	417
Released during the period / year	**-**	(75)
Write off during the period / year	**-**	(580)
Transfer during the period / year	**-**	(47)
Net foreign currency exchange difference	**(5)**	7
Closing balance	**3,775**	3,128

14 TRADE AND OTHER RECEIVABLES

	Unaudited 30 September 2015 RO'000	*Audited 31 December 2014 RO'000*
Amounts due from customers	**60,581**	63,053
Amounts due from Oman Investment Finance Company SAOG (OIFC)	**38,442**	37,167
Amounts due from other operators	**28,774**	29,487
Other receivables	**4,532**	1,059
	132,329	130,766
Provision for impairment of receivables	**(47,804)**	(47,304)
	84,525	83,462
Advances	**5,387**	5,795
	89,912	89,257

The movement in provision for impairment of receivables is disclosed in note 42 (b) (ii).

15 SHARE CAPITAL AND DIVIDENDS

The share capital comprises 750,000,000 (31 December 2014 - 750,000,000) authorised and issued, ordinary shares of RO 0.100 (31 December 2014 : RO 0.100) each fully paid. In accordance with the Ministerial decision at their counsel meeting No. 3/2005 dated 18 January 2005, the par value of each share was reduced from RO 1.000 to RO 0.100. Shareholders of the Parent Company who own not less than 10% of the Parent Company's shares at reporting date are as follows:

	30 September 2015		*31 December 2014*	
	Shares held	**%**	Shares held	%
Government of the Sultanate of Oman	382,500,000	**51**	382,500,000	51

For the year 2014, a final cash dividend of RO 0.075 per share (2013: RO 0.075 per share) amounting to RO 56.25 million (2013: RO 56.25 million) was approved by the shareholders at the annual general meeting held on 22 March 2015.

An interim cash dividend of RO 0.055 (30 September 2014: RO 0.040) amounting to RO 41.250 million (30 September 2014: RO 30 million) was approved by the Board of Directors on 13 August 2015.

16 LEGAL RESERVE

In accordance with the Oman Commercial Companies Law of 1974, as amended, annual appropriations of 10% of the profit for the year are made to this reserve until the accumulated balance of the reserve is equal to one third of the value of the respective Omani entity's paid-up share capital. This reserve is not available for distribution. As the reserve equals one third of paid up share capital, the Company has discontinued the transfer.

17 VOLUNTARY RESERVE

In accordance with the Board of Directors' Resolution No.16T/5/2000, the Parent Company transfer 10% of its annual net profits to a distributable voluntary reserve until it becomes equal to one-half of the entity's paid up share capital. As the reserve equals at least half of paid up share capital, the Company has discontinued the transfer.

18 CAPITAL CONTRIBUTION

On 11 February 2004, the Telecommunications Regulatory Authority (TRA) issued licences to the Group for mobile and fixed line telecommunication services at a cost of RO 500,000 and RO 200,000 and for periods of 15 and 25 years, respectively.

The Group engaged an independent firm of consultants to determine the fair value of the licences as at 11 February 2004, who determined the fair value of the fixed and mobile licences as being in the amount of approximately RO 44.881 million.

The basis of the valuation was on an assessed open market value of the licences under their current terms as they would apply to a new company obtaining the licences. The reason for adopting the assumption of a 'new company' was in order to differentiate the value of the licences from the other intangible assets that the Group owns. Accordingly the value attached to the licences is not a 'special value' to the Group of the licences and does not reflect the full value of the intangible assets enjoyed by the Group.

The excess of the valuation of the Group's licences over the amounts paid to the TRA, representing a fair value gain of RO 44.181 million, has been recognised as a non-distributable capital contribution within equity.

19 FOREIGN CURRENCY TRANSLATION RESERVE

Exchange differences relating to the translation of assets and liabilities on consolidation from the functional currency of the Group's foreign subsidiary into Rials Omani are recorded directly in the foreign currency translation reserve.

The net exposure to the currency risk as at the reporting date is as follows:

	Unaudited	*Audited*
	30 September 2015	*31 December 2014*
	Pakistani Rupees	*Pakistani Rupees*
	PKR '000	*PKR '000*
Total assets	**20,183,976**	21,765,361
Goodwill	**3,836,094**	3,836,094
Total liabilities	**(23,428,818)**	(21,557,122)
Non-controlling interest	**1,411,857**	(86,342)
	2,003,109	3,957,991

The following significant exchange rates were applied during the period:

	Pakistani Rupees
Average exchange rate from 1 January 2015 to 30 September 2015	271.493
Exchange rate as at 30 September 2015	274.725

A 5% strengthening of Rials Omani against the above currency would have decreased equity by RO 0.347 million (2014: RO 0.709 million) attributable to equity holders of Parent Company. The analysis assumes that all other variables, in particular interest rates remain constant.

A 5% weakening of Rials Omani would have had an equal but opposite effect.

20 FAIR VALUE RESERVE

The fair value reserve arises on the revaluation of available for sale financial assets. Where a revalued financial asset is sold, the portion of the reserve that relates to that financial asset, and is effectively realised, is recognised in the statement of income. Where a revalued financial asset is impaired, the portion of the reserve that relates to that financial asset is recognised in the statement of income.

21 BORROWINGS

Consolidated	Currency	Nominal interest rate	Year of maturity	Current Unaudited 30 September 2015 RO'000	Current Audited 31 December 2014 RO'000	Non-current Unaudited 30 September 2015 RO'000	Non-current Audited 31 December 2014 RO'000
Secured-at amortised cost							
Bank loan	OMR	3 months LIBOR+2.5% (floor of 5%p.a)	2017 - 2019	**2,600**	1,050	**5,910**	6,406
Bank loan	OMR	5% p.a	2015	**321**	326	**-**	-
Long term loan	USD	3 months LIBOR+2.95%	2018 Note (a)	**-**	3,404	**-**	8,943
Long term loan	PKR	1 month KIBOR+3% p.a and 3 month KIBOR+ 0.5% p.a	2016 and 2018 Note (b (i) and (ii))	**186**	161	**343**	27
Long term loan	USD	3 months LIBOR+3.25%	2021 Note (b(iii))	**-**	-	**13,162**	-
Convertible preference share	USD	17.293% p.a	Note (c)	**-**	-	**5,551**	5,479
Term finance certificates-3	PKR	6 months KIBOR+1.6%	2021 (d)	**5,483**	6,180	**-**	-
Short term borrowings	PKR	3 to 6 months KIBOR+1.5% to 4%	-	**2,063**	2,893	**-**	-
Bank overdraft	OMR	3 months LIBOR+2.5% (floor of 5%p.a)	-	**470**	258	**-**	-
Finance lease liabilities	PKR	6 months KIBOR+ 2.5%p.a	-	**5**	4	**7**	11
Finance lease liabilities	OMR	12.695% p.a	-	**34**	29	**316**	347
				11,162	14,305	**25,289**	21,213

(a) Long term Loan

The subsidiary in Pakistan signed a foreign currency syndicated loan facility with Askari Bank Limited Off-Shore Banking Unit, Bahrain, with the lead arranger being Askari Bank Limited in the amount of USD 35 million. Interest was charged at three months average LIBOR plus 1.75% per annum and monitoring fee is payable at the rate of 1.2% per annum of the outstanding balance. To secure the facility an unconditional, irrevocable, first demand stand-by letter of credit ("SBLC") was issued by National Bank of Oman favoring Askari Bank Limited against the corporate guarantee of the Parent Company. The arrangement remained effective until all the obligations under the facility are settled. Initially, this loan was re-payable in 20 equal quarterly instalments with two years grace period commencing 6 June 2013. The loan was rescheduled whereby the principal was repayable in 16 quarterly instalments ending on 6 March 2018. As of the reporting date, this loan has been prepaid in totality and SBLC has been released by Askari Bank.

21 BORROWINGS (continued)

(b) Long term Loan

This represent term loan facility from two banks.

i) The facility was rescheduled by the bank in April 2014 and is now repayable in 23 monthly instalments ending on 28 February 2016. It carries a mark up of one month KIBOR plus 3% per annum and is payable monthly. The mark up rate charged during the period on the outstanding balance ranges between 11.01% to 12.81% (2014: 12.84% to 13.97%) per annum. It is secured through joint pari passu hypothecation agreement over current and movable fixed assets.

ii) This represents a term loan facility obtained through restructuring of running finance facility effective from January 2015 and is now repayable in 43 monthly instalments ending on 31 July 2018. The mark up rate to be charged on the outstanding balance w.e.f April 01, 2015 will be 3 months KIBOR+50 Bps to be reset and recoverable quarterly. It is secured through a joint pari passu charge on present and future current and fixed assets excluding land and building of the subsidiary in pakistan with a 25% margin.

iii) The subsidiary in Pakistan signed a foreign currency syndicated loan facility amounting to USD 35 million from National Bank of Oman SAOG and Ahli Bank SAOG with the lead arranger being National Bank of Oman. This loan is repayable in 16 quarterly instalments ending on 30 June 2021 with 2 years grace period. Profit is payable quarterly and is charged at three months average London Inter-Bank Offer Rate (LIBOR) plus 1.75% per annum and monitoring fee at 1.5% per annum. To secure the facility, the corporate guarantee of the Parent Company has been furnished. This arrangement shall remain effective until all obligations under the facility are settled.

(c) Convertible preference shares

These are denominated in US Dollar, non-voting, cumulative and convertible preference shares (“CPS”, or “Preference Shares”) having a face value of US$ 100 each, held by the Parent company and Habib Bank Limited (Investor) amounting to USD 20 million and USD 15 million respectively issued by the subsidiary in Pakistan.

The conversion option is exercisable by the holder at any time after the 1st anniversary of the issue date but no later than the 5th anniversary. On 5th anniversary, the CPS will be mandatorily converted into ordinary voting common shares. The CPS shall be converted fully or partially in multiples of USD 1 million at the conversion ratio defined in the agreement at 10% discount on share price after first anniversary and thereby increased by 10% additional discount for each completed year of anniversary.

The holders are entitled to a non cash dividend which will be calculated at the rate higher of 5.9% per annum or the dividend declared by the subsidiary for ordinary shareholders.

Omantel (Parent company) has provided a put option to the Investor in USD where the investor can sell its CPS at participation amount along with any accumulated and accrued dividend (put strike price) to Omantel. The put option may be exercised fully or partially in multiples of US$ 1 million from the 3rd anniversary of the CPS till the 5th anniversary or on occurrence of the trigger events as defined in the CPS agreement at any time during the term of the CPS.

(d) Term finance certificates-3

Term finance certificates-3 were earlier rescheduled in December 2012 under which the principal was repayable in three semi-annual installments ending on 07 October 2015. In July 2014, the Group initiated the process of second restructuring with the TFC holders. On 03 April 2015, the TFCs were rescheduled and the terms of the revised rescheduling agreement are effective from 07 October 2014. As per revised terms, the tenure of the TFCs were extended by seven years with principal installments ending in October 2021. As per terms of second rescheduling, payments in respect of principal and markup aggregating to Rs 230.000 million (includes interest of PKR 60 million) were required to be made during the period ended September 30, 2015. However, payments of Rs 146.625 million (includes interest of PKR 20 million) were made, hence, constituting a default as per the terms. Consequently, the total amount has been classified in current liabilities.

22 DEFERRED TAX ASSET/(LIABILITY)

The net deferred tax asset / (liability) and deferred tax charge / (credit) in the statement of income are attributable to the following items:

	1 January 2015 RO'000	**Charged / (credited) to statement of income RO '000**	**Exchange differences RO '000**	**Unaudited 30 September 2015 RO '000**	*1 January 2014 RO'000*	*Charged / (credited) to statement of income RO '000*	*Exchange differences RO '000*	*Audited 31 December 2014 RO '000*
Temporary differences								
Provision for impaired receivables	**(5,202)**	**215**	**12**	**(4,975)**	(6,418)	1,261	(45)	(5,202)
Provision for inventory obsolescence	**(135)**	**(69)**	**31**	**(173)**	(133)	(1)	(1)	(135)
Provision for capital contribution	**651**	**(91)**	**(20)**	**540**	616	19	16	651
Retirement benefit obligation	**(462)**	**32**	**15**	**(415)**	(420)	(32)	(10)	(462)
Fair value gain on investments	**650**	**(143)**	**-**	**507**	-	650	-	650
Depreciation and amortisation	**19,269**	**(2,644)**	**(414)**	**16,211**	18,231	738	300	19,269
	14,771	**(2,700)**	**(376)**	**11,695**	11,876	2,635	260	14,771
Unused tax losses and credits	**(24,387)**	**4,218**	**786**	**(19,383)**	(20,109)	(3,847)	(431)	(24,387)
	(9,616)	**1,518**	**410**	**(7,688)**	(8,233)	(1,212)	(171)	(9,616)

Deferred tax balances are shown as below in the interim consolidated statement of financial position:

	Unaudited 30 September 2015 RO'000	*Audited 31 December 2014 RO'000*
Deferred tax asset relating to subsidiary in Pakistan *	**9,725**	12,581
Deferred tax liability relating to Parent Company	**(2,037)**	(2,965)
	7,688	9,616

* Based on approved business plan of the subsidiary, it is probable that sufficient taxable profits will be available for utilisation of deferred tax asset.

23 RETIREMENT BENEFIT OBLIGATION

The movement in retirement benefit obligation is as follows:

	Unaudited 30 September 2015 RO'000	*Audited 31 December 2014 RO'000*
Opening balance	**5,249**	5,671
Charge for the period / year (Note 32)	**824**	946
Payments during the period / year	**(344)**	(1,427)
Transfer to other payables	**-**	(63)
Recognition of actuarial income on defined benefit plan	**-**	89
Foreign exchange difference	**(42)**	33
Closing balance	**5,687**	5,249

24 OTHER LIABILITIES – NON CURRENT

	Unaudited 30 September 2015 RO'000	*Audited 31 December 2014 RO'000*
Long term payables	**3,397**	1,242
Long term deposits	**127**	134
	3,524	1,376

25 TRADE AND OTHER PAYABLES

	Unaudited 30 September 2015 RO'000	*Audited 31 December 2014 RO'000*
Trade payables	**20,014**	22,654
Amounts due to other telecommunication administrators	**7766**	6,648
Retentions payable	**25,724**	23,555
Licence fees payable (refer note (a))	**3,718**	3,841
Accruals	**57,499**	58,484
Deferred income	**15,829**	24,482
Billings in advance	**19,814**	12,965
Accrued interest	**850**	760
Other payables	**14,095**	14,253
	165,309	167,642

(a) Licence fees payable

This represents licence fee payable by a subsidiary to Pakistan Telecommunications Authority (PTA) for Wireless Local Loop Licence.

26 ROYALTY PAYABLE

In accordance with Article 4(1) of the fixed and mobile licence and as permitted by the TRA, the licencee is required to pay royalty to the TRA at the rate of 7% of its gross revenue excluding certain categories of wholesale revenue and interconnection expenses. Details regarding recent demand made by TRA are set out in note 41 (c) (ii).

27 NET ASSETS PER SHARE

Net assets per share attributable to equity holders of the Parent Company is calculated by dividing the net assets at the reporting date by the number of shares outstanding:

	2015	*2014*
Net assets attributable to the owners of the parent (RO'000)	**563,008**	570,164
Number of shares outstanding (thousands)	**750,000**	750,000
Net assets per share (RO)	**0.751**	0.760

28 WHOLESALE REVENUE

	9-months ended 30 September 2015 RO'000	***3-months ended 30 September 2015 RO'000***	*9-months ended 30 September 2014 RO'000*	*3-months ended 30 September 2014 RO'000*
External administration revenue (a)	**20,221**	**6,803**	21,998	8,068
Interconnection income (b)	**12,806**	**4,325**	12,628	3,923
Capacity sales	**19,469**	**3,346**	19,384	3,791
Others	**14,302**	**5,530**	9,793	3,605
	66,798	**20,004**	63,803	19,387

a) External administration revenue represents the revenue derived from termination of other international operators traffic on Group's network and revenue from transit international calls.

b) Interconnection income represents the revenue derived from licensed local operators for the use of transmission equipment, facilities and the charges for the termination of the operator's traffic on the group's network.

29 INTERCONNECTION EXPENSE

Interconnection expense represents the charges paid by the Group to licensed local operators for the termination of the traffic on the network of the operator.

30 COST OF CONTENT SERVICES

Cost of content services represents the charges paid by the Group to various content service providers for provision of services such as audio text services and SMS to TV channels.

31 EXTERNAL ADMINISTRATION EXPENSE

External administration expense represents the charges paid by the Group to international operators for the termination of the traffic on the network of the operator.

32 STAFF COSTS

	9-months ended 30 September 2015 RO'000	***3-months ended 30 September 2015 RO'000***	*9-months ended 30 September 2014 RO'000*	*3-months ended 30 September 2014 RO'000*
Salaries and allowances	**48,367**	**15,979**	44,303	15,019
Social security costs	**3,973**	**1,350**	3,418	1,271
Retirement benefits (Note 23)	**824**	**201**	694	208
Other employee benefits	**2,838**	**846**	2,862	926
	56,002	**18,376**	51,277	17,424

33 OPERATING AND MAINTENANCE EXPENSES

	9-months ended 30 September 2015 RO'000	***3-months ended 30 September 2015 RO'000***	*9-months ended 30 September 2014 RO'000*	*3-months ended 30 September 2014 RO'000*
Asset maintenance	**17,550**	**5,279**	18,320	6,059
Cost of sales	**15,506**	**3,615**	7,639	1,291
Satellite channels and frequency charges	**10,630**	**3,726**	9,366	3,210
Rent, rates and taxes	**5,878**	**1,864**	5,364	1,726
Electricity and water	**2,481**	**968**	2,525	948
Maintenance and hire charges	**2,706**	**1,013**	2,539	890
Petrol, oil and lubricants	**475**	**182**	462	147
Insurance	**895**	**256**	783	270
Others	**2,993**	**1,020**	2,847	1,294
	59,114	**17,923**	49,845	15,835

34 ADMINISTRATIVE EXPENSES

	9-months ended 30 September 2015 RO'000	***3-months ended 30 September 2015 RO'000***	*9-months ended 30 September 2014 RO'000*	*3-months ended 30 September 2014 RO'000*
Training costs	**1,227**	**469**	1,433	313
Professional consultancy fees	**2,411**	**732**	1,142	505
Penalty (note 41 (c) (i))	**1,000**	**-**	-	-
Administrative services	**1,428**	**341**	2,006	1,014
Business travel	**1,499**	**404**	1,263	424
Office supplies and services	**1,011**	**357**	1,012	321
	8,576	**2,303**	6,856	2,577

35 FACTORING, COLLECTION AND DISTRIBUTION FEES

The Group has awarded an agreement to OIFC whereby all amounts due from certain category of customers in the Sultanate of Oman are assigned and factored to OIFC.

Amounts due from such customers are also collected by the Group through its own facilities and through its other collection agents. Factoring fees for such collections are deducted from the charges payable to OIFC.

The Group pays factoring fees under the above agreements based on the customer category and the amounts assigned.

35 FACTORING, COLLECTION AND DISTRIBUTION FEES (continued)

In addition, OIFC collects, on behalf of the Group, amounts due in respect of customer bills issued prior to the present assignment, for which factoring fees are paid at rates varying in accordance with the age of the amounts collected.

Distribution fees are also paid to agents selling prepaid cards and other services of the Group.

36 FINANCE INCOME / (COSTS) AND INVESTMENT INCOME

	9-months ended 30 September 2015 RO'000	***3-months ended 30 September 2015 RO'000***	*9-months ended 30 September 2014 RO'000*	*3-months ended 30 September 2014 RO'000*
(i) Finance income				
Interest income	**2,179**	**859**	3,994	1,105
Exchange gain	**-**	**-**	891	-
	2,179	**859**	4,885	1,105
(ii) Investment income				
Dividend income	**1,844**	**846**	818	180
(loss)/Gain on investment at fair value through profit and loss	**(612)**	**(1,487)**	3,432	2,308
(loss)/Gain on held for trading investments	**(112)**	**(930)**	1,770	1,266
Realised (loss)/gain on held for trading investments – net	**(109)**	**(109)**	602	188
Realised gain on investments at fair value through profit or loss	**19**	**19**	5	-
	1,030	**(1,661)**	6,627	3,942
(iii) Finance cost				
Exchange loss	**(1,594)**	**(1,171)**	-	(1,377)
Interest on borrowings	**(2,630)**	**(892)**	(4,824)	(1,573)
	(4,224)	**(2,063)**	(4,824)	(2,950)

37 OTHER INCOME - net

	9-months ended 30 September 2015 RO'000	***3-months ended 30 September 2015 RO'000***	*9-months ended 30 September 2014 RO'000*	*3-months ended 30 September 2014 RO'000*
Miscellaneous income-net	**1,973**	**1,000**	1,084	5
Impairment loss on held for sale (Refer Note 5 (b))	**-**	**-**	(921)	(921)
Impairment loss on others	**-**	**-**	(437)	(437)
Liability no longer required written back	**9**	**(1)**	501	-
	1,982	**999**	227	(1,353)

38 TAXATION

(a) The tax charge for the period comprises:

	9-months ended 30 September 2015 RO'000	***3-months ended 30 September 2015 RO'000***	*9-months ended 30 September 2014 RO'000*	*3-months ended 30 September 2014 RO'000*
Current taxation	**14,452**	**4,742**	15,052	4,836
Tax relating to prior years (refer note (d) below)			3,348	-
Deferred taxation	**(1,743)**	**(855)**	(938)	(513)
Deferred tax relating to unused tax losses	**3,355**	**7**	**-**	**-**
Deferred tax relating to prior year	**-**	**-**	1,110	696
	16,064	**3,894**	18,572	5,019

(b) The reconciliation of tax on the accounting profit with the taxation charge in the statement of income is as follows:

	9-months ended 30 September 2015 RO'000	***3-months ended 30 September 2015 RO'000***	*9-months ended 30 September 2014 RO'000*	*3-months ended 30 September 2014 RO'000*
Tax on accounting profit	**10,453**	**3,279**	11,999	3,207
Add / (less) tax effect of:				
Expenses not deductible	**2,654**	**659**	1,737	528
Income not subject to tax	**(398)**	**(51)**	378	588
Tax relating to prior years	**-**	**-**	3,348	-
Deferred tax relating to unused tax losses	**3,355**	**7**	-	-
Deferred tax relating to prior years	**-**	**-**	1,110	696
Tax charge as per statement of income	**16,064**	**3,894**	18,572	5,019

(c) Status of tax assessments

Assessments have been completed for tax years up to the taxable year 2009 for the Parent Company.

The tax assessments of subsidiaries are at different stages of completion. Management is not aware and does not expect any additional tax liabilities to be incurred relating to the open tax years.

(d) Prior year tax

Tax relating to prior years in 2014 include an amount of RO 2.918 million relating to adjustment of amortisation of mobile license cost for the tax years 2004-2013 for the Parent Company.

39 BASIC AND DILUTED EARNINGS PER SHARE

The earnings per share has been derived by dividing the profit for the period attributable to the owners of the Parent Company by the weighted average number of shares outstanding. As there are no dilutive shares, the diluted earing per share is identical to basic earing per share.

40 RELATED PARTIES

Related parties comprise the shareholders, directors, key management personnel and business entities in which they have the ability to control or exercise significant influence in financial and operating decisions.

The Group maintains balances with these related parties which arise in the normal course of business from the commercial transactions, and are entered into at mutually agreed terms and conditions.

40 RELATED PARTIES (continued)

The nature and amounts of transactions during the period were as follows:

(i) Purchase of goods and services

	Unaudited 30 September 2015 RO'000	*Unaudited 30 September 2014 RO'000*
Associates	**5,980**	3,472
Other related party	**381**	249
Total	**6,361**	3,721

(ii) Directors' sitting fees – non executive	**61**	67

(iii) Key management compensation

	Unaudited 30 September 2015 RO'000	*Unaudited 30 September 2014 RO'000*
Basic salaries and allowances	**1,289**	1,205
Other benefits and expenses	**1,088**	1,133
Social security costs	**78**	78
Retirement benefits	**22**	32
Total	**2,477**	2,448

(iv) Balances arising from sales / purchases of goods / services

	Receivables		***Payables***	
	Unaudited 30 September 2015 RO'000	*Audited 31 December 2014 RO'000*	***Unaudited 30 September 2015 RO'000***	*Audited 31 December 2014 RO'000*
Associates	**-**	-	**958**	1,242
Other related party	**283**	190	**131**	51
	283	190	**1,089**	1,293
(v) Sale of services-Other related parties			**2**	-

41 COMMITMENTS

(a) Commitments

Commitments, for which no provision has been made in these consolidated financial statements, in respect of the purchase of equipment and investments, are as follows:

	Unaudited 30 September 2015 RO'000	*Audited 31 December 2014 RO'000*
Commitment for fixed capital expenditure	**101,517**	86,072
Commitment for fixed capital expenditure in rural areas (refer (c) (i) below)	**2,000**	-
Investments	**4,450**	5,400

(b) Contingent liabilities

Letters of credit	**38**	123
Bank guarantees	**4,587**	4,543
Bid bonds	**119**	236
Performance bonds	**204**	188

The above letters of credit and bank guarantees were issued in the normal course of business.

(c) Claims

i) The TRA vide its decision No.6/2015 dated 25 March 2015 imposed a penalty of RO 5 million in relation to disruption of Company's telecommunication services on 17 November 2014. On 9 July 2015, TRA passed a resolution to reduce the penalty to RO 1 million. Further Omantel also agreed to invest an amount of RO 2 million in expanding the Mobile network in rural area.

ii) During the period ended 30 September 2015, the Parent Company received a demand notice of RO 1.6 million from the TRA towards additional royalty payable for the year 2013 on certain categories of wholesale revenue. Based upon legal opinion and interpretation of the relevant provisions of the Parent Company's license terms, the management believes that the additional royalty amount for 2013 or other open years is not payable. Pending the resolution of this matter, the Parent Company has paid RO 668 thousands to the TRA which is recorded under other receivables (note 14) in these interim consolidated financial statements. Accordingly, the Parent Company has not created any provision towards any additional royalty in these interim consolidated financial statements.

iii) Certain other regulatory non-compliance items, due to operational and budgetary constraints, may pose a risk of penalty being imposed by the TRA. However, neither the amount of penalty nor the actual event of the penalty can be determined with certainty at present. The legal and regulatory department of the Group considers these as low risk cases and at this stage, the outcome of the situations cannot be quantified or estimated with reasonable certainty.

iv) The Group's subsidiary in Pakistan is also exposed to certain claims arising out of regulatory, taxation and operational matters. The management believes that none of these claims are expected to have any significant implication on its interim consolidated financial statements.

42 CREDIT RISK

(a) Exposure to credit risk

The gross carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Unaudited 30 September 2015 RO '000	*Audited 31 December 2014 RO '000*
Trade and other receivables	**130,008**	131,181
Other financial assets	**112,234**	135,846
Cash and bank balances	**33,217**	48,828
	275,459	315,855

The maximum exposure to credit risk for trade and other receivables at the reporting date by type of customer was:

	Unaudited 30 September 2015 RO '000	*Audited 31 December 2014 RO '000*
Oman Investment Finance Company SAOG	**38,442**	37,167
Due from other operators	**28,774**	29,487
Due from government	**14,159**	12,591
Agents for prepaid card sales	**4,298**	11,167
Other customers	**44,335**	40,769
	130,008	131,181

(b) The ageing of trade receivables and related impairment loss at the reporting date was:

	Unaudited 30 September 2015		*Audited 31 December 2014*	
	Gross RO'000	***Impairment RO'000***	*Gross RO'000*	*Impairment RO'000*
Not past due	**43,081**	**-**	42,487	-
Past due 0 - 180 days	**18,121**	**2,858**	22,276	2,769
Past due 181 – 365 days	**8,542**	**1,703**	10,315	543
1 - 2 years	**12,315**	**2,609**	11,060	3,043
More than 2 years	**47,949**	**40,634**	45,043	40,949
	130,008	**47,804**	131,181	47,304

(i) Included in the Group's trade receivable balance are debtors with a carrying amount of RO 39.1 million (31 December 2014: RO 41.4 million) which are past due at the reporting date for which the Group has not provided any amount as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances. The average age of these receivables is 180 days.

42 CREDIT RISK (continued)

(ii) The movement in provision for impairment of receivables is as follows:

	Unaudited 30 September 2015 RO'000	*Audited 31 December 2014 RO'000*
Opening balance	**47,304**	49,250
Net foreign currency exchange difference	**(41)**	226
Charge for the period / year	**1,302**	3,656
Written back during the period / year	**(369)**	(2,593)
Transfer to Government	**(214)**	(2,736)
Adjustment	**(178)**	(499)
Closing balance	**47,804**	47,304

The allowance accounts in respect of trade receivables are used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible; at that point the amount considered irrecoverable is written off against the financial asset directly.

In the event of subsequent recovery of the receivables in respect of which provisions had been established at 31 December 2004, the write back of such bad debt provision will be credited and paid to the Government.

The write back in respect of provisions established as at 31 December 2004 is credited to the Government and the remaining balance is credited to the interim consolidated statement of income.

43 LIQUIDITY RISK

The following are the contractual maturities of financial liabilities:

30 September 2015 (Unaudited)

	Carrying amount RO'000	***6 months or less RO'000***	***6 - 12 months RO'000***	***1 - 2 years RO'000***	***More than 2 years RO'000***
Borrowings	**36,451**	**9,619**	**1,543**	**2,982**	**22,307**
Accrued interest	**850**	**850**	**-**	**-**	**-**
Trade payables	**20,014**	**20,014**	**-**	**-**	**-**
Amount due to other telecommunication administrators	**7,766**	**7,766**	**-**	**-**	**-**
Retentions payable	**25,724**	**25,724**	**-**	**-**	**-**
Accruals	**57,499**	**57,499**			
Other payables	**16,777**	**13,380**	**-**	**1,249**	**2,148**
Royalty payable	**24,736**	**24,736**	**-**	**-**	**-**
Other long term liability	**127**	**-**	**-**	**-**	**127**
Licence fee payable	**3,718**	**3,718**	**-**	**-**	**-**
	193,662	**163,306**	**1,543**	**4,231**	**24,582**

43 LIQUIDITY RISK (continued)

31 December 2014 (Audited)

	Carrying Amount RO'000	*6 months or less RO'000*	*6 - 12 months RO'000*	*1 - 2 years RO'000*	*More than 2 years RO'000*
Borrowings	36,543	9,829	5,217	6,358	15,139
Accrued interest	760	760	-	-	-
Trade payables	23,636	20,442	1,952	1,242	-
Amount due to other telecommunication administrators	6,648	6,648	-	-	-
Retention payable	23,555	23,413	142	-	-
Accruals	58,484	58,484	-	-	-
Other payables	12,132	10,728	-	-	1,404
Royalty payable	31,543	31,543	-	-	-
Other long term liabilities	133	-	-	-	133
Licence fee payable	3,841	3,841	-	-	-
	197,275	165,688	7,311	7,600	16,676

44 INTEREST RATE RISK

At the reporting date, the interest rate profile of the Group's interest bearing financial instruments was:

	Unaudited 30 September 2015 RO'000	*Audited 31 December 2014 RO'000*
Floating rate instruments		
Financial liabilities	**(30,229)**	(29,337)
Fixed rate instruments		
Financial assets	**55,044**	87,793
Financial liabilities	**(6,223)**	(6,181)
	48,821	81,612

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any significant fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not significantly affect profit or loss.

45 FOREIGN CURRENCY RISK

The Group's main exposure to foreign exchange volatility within shareholder's equity arises from its investment in a subsidiary based in Pakistan, which is disclosed in note 19.

Receivables and payables are mainly denominated in United States Dollars. As the Rial Omani is pegged to US Dollars, management perceive the related currency risk to be minimal. Receivables and payables in other currencies are not significant.

46 FAIR VALUE OF ASSETS AND LIABILITIES

Fair value versus carrying amounts

The fair value of the financial assets and liabilities approximates their carrying value as stated in the statement of financial position except for financial assets which are measured at cost and which are classified as "Held to maturity". Financial assets are measured at cost where there is no reliable measure of fair value.

Fair value measurements recognised in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from 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); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). These investments are valued based on share of net assets of investee which approximates to the fair value at the end of the reporting period.

	Level 1 RO'000	*Level 2 RO'000*	*Level 3 RO'000*	*Unaudited total 30 September 2015 RO'000*
Investments at fair value through profit or loss				
Investment in mutual funds and structured deposits	**-**	**15,282**	**-**	**15,282**
Fixed income instruments	**-**	**2,709**	**-**	**2,709**
Unquoted equity instruments	**-**	**3,457**	**6,304**	**9,761**
Held for trading				
Quoted equity instruments	**26,201**	**-**	**-**	**26,201**
Available-for-sale investments at fair value				
Mutual funds	**-**	**249**	**-**	**249**
Quoted equity instruments	**353**	**-**	**-**	**353**
	26,554	**21,697**	**6,304**	**54,555**

46 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

	Level 1 RO'000	*Level 2 RO'000*	*Level 3 RO'000*	*Total 31 December 2014 RO'000*
Investments at fair value through profit or loss				
Investment in mutual funds	-	13,807	-	13,807
Fixed income instruments	-	1,698	-	1,698
Unquoted equity instruments	-	1,934	5,983	7,917
Quoted equity instruments	3,637	-	-	3,637
Held for trading				
Quoted equity instruments	17,787	-	-	17,787
Available-for-sale investments at fair value				
Mutual funds	-	204	-	204
Quoted equity instruments	281	-	-	281
	21,705	17,643	5,983	45,331

There were no transfers between the levels during the period/year.

47 COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to current period presentation. The reclassification has no impact on Group's previously reported profit or other comprehensive income.