

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## Parent company and consolidated statement of cash flows for the year ended 31 December 2019

	Parent		Consolidated	
	2019 RO	2018 RO	2019 RO	2018 RO
<b>Operating activities</b>				
Profit before taxation	807,352	4,316,589	2,882,258	1,040,525
<b>Adjustments for:</b>				
Depreciation on property, plant and equipment	3,886,628	4,834,735	6,482,998	7,425,346
Advance to a subsidiary written off	1,985,000	-	-	-
Amortisation of right-of-use assets	4,511,786	-	3,106,125	-
Allowance for expected credit losses	137,818	(27,295)	1,204,257	(229,027)
Impairment of limestone mines – reversal	-	-	(553,534)	-
Allowance for slow-moving inventories	70,027	120,000	11,031	198,834
End of service benefits charge for the year	91,719	150,803	160,834	251,901
Interest expense	2,474,811	1,014,939	3,060,277	1,014,939
Interest expense on lease liabilities	1,691,677	-	1,198,616	-
Interest income	(23,325)	(41,728)	(23,325)	(58,281)
Investment income	(2,184,273)	(3,827,748)	(199,273)	(159,825)
Amortisation of deferred costs	18,900	8,100	-	-
Impairment / share of loss from an associate	113,343	-	234,759	(9,390)
Decrease in fair value of financial assets at fair value through profit or loss	612,900	787,948	612,900	787,948
Profit on sale of property, plant and equipment	(1,270,633)	(4,750)	(1,280,627)	(758,405)
<b>Changes in:</b>				
Trade receivables	(3,974,979)	(7,311,430)	(7,473,856)	(12,011,400)
Prepayments and other receivables	(5,295,409)	(3,810,390)	(3,124,730)	(2,757,664)
Inventories	(4,080,720)	(4,721,385)	(3,612,997)	(1,913,011)
Trade and other payables	1,407,936	7,212,551	564,429	5,474,817
<b>Cash generated from / (used in) operations</b>	<b>980,558</b>	<b>(1,299,061)</b>	<b>3,250,142</b>	<b>(1,702,693)</b>
Payment of end of service benefits	(244,262)	(155,958)	(349,746)	(208,814)
Income tax paid	(847,527)	(1,263,769)	(1,184,531)	(1,263,769)
<b>Net cash (used in) / generated from operating activities</b>	<b>(111,231)</b>	<b>(2,718,788)</b>	<b>1,715,865</b>	<b>(3,175,276)</b>
<b>Investing activities</b>				
Investment in subsidiaries	(12,524,568)	-	(11,153,341)	-
Proceeds from sale of property, plant and equipment	1,926,050	4,750	1,936,044	4,750
Dividend income received on financial assets at fair value through profit or loss	199,273	159,825	199,273	159,825
Dividends received from a subsidiary	1,985,000	3,667,923	-	-
Advances paid to a subsidiary	-	400,000	-	-
Proceeds from term deposits – net	-	5,000,000	-	8,366,400
Interest received	25,003	106,050	25,003	154,126
Proceeds from disposal of ship	-	-	-	2,889,000
Purchase of property, plant and equipment	(7,226,126)	(2,162,764)	(9,207,951)	(5,449,773)
<b>Net cash (used in) / generated from investing activities</b>	<b>(15,615,368)</b>	<b>7,175,784</b>	<b>(18,200,972)</b>	<b>6,124,328</b>
<b>Financing activities</b>				
Repayment of term loans	(5,881,189)	(5,652,595)	(8,200,869)	(5,652,600)
Drawdown of term loans	11,782,232	10,479,860	11,782,232	10,520,000
Repayment of principal portion of lease	(3,515,080)	-	(2,656,859)	-
Repayment of interest on lease	(1,691,677)	-	(1,198,616)	-
Dividends paid	(2,500,000)	(5,800,000)	(2,500,000)	(5,800,000)
Movement in short term loans - net	10,518,410	-	12,609,475	-
Interest and finance costs paid	(2,474,317)	(940,021)	(2,975,257)	(940,021)
<b>Net cash generated from / (used in) financing activities</b>	<b>6,238,379</b>	<b>(1,912,756)</b>	<b>6,860,106</b>	<b>(1,872,621)</b>
Net (decrease) / increase in cash and cash equivalents	(9,488,220)	2,544,240	(9,625,001)	1,076,431
Cash and cash equivalents at beginning of the year	5,792,841	3,248,601	6,207,327	5,130,896
<b>Cash and cash equivalents at the end of the year (Note 45)</b>	<b>(3,695,379)</b>	<b>5,792,841</b>	<b>(3,417,674)</b>	<b>6,207,327</b>

The accompanying notes form an integral part of these parent company and consolidated financial statements.