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“To be the acknowledged body for the Oil and Gas Industry in Oman, promoting the highest performance standards”.
OPAL - Oman society for Petroleum Services is the first Society in Oman’s Petroleum Industry to be officially approved and registered in the Sultanate of Oman, on 27 October, 2001 under the regulations governing the formation of societies with the Ministry of Social Development. OPAL started as a concept in 1998, where by like-minded companies embarked on a vision to promote the industry standards and create level playing field. OPAL is the industry forum society for Oman’s Petroleum Industry. It is a non-profit organization. Its more than 400 members are made up of Oil & Gas companies, including Oil & Gas Producers & Operators, Contractors and Suppliers – large and small.

OPAL aims to provide a single umbrella body to agree and promote standards of work competence and professionalism, with the vision of raising the standards of the Oman Petroleum Industry to become world class, internationally competitive, and optimize industries resources. OPAL aspires to be foremost facilitating body to align.

Stakeholders objectives, moderate and address common challenges for the benefit of it members.

Leaders of the companies (MD’s, CEO’s and GM’s) meet quarterly to discuss areas of mutual benefit and consensus. An elected Board governs the society applying the highest standards of good corporate governance. OPAL employs a small Member of Team but effective executive team to implement its programmes and serve its members.

QHSE is OPAL’s key priority. OPAL’s aim is to achieve high aspiration and encourage QHSE best behavior and best practice which remains the top focus in the daily life of the industry. OPAL is working to help maturing companies, develop minimum QHSE standards. The imperative remains to strive for ‘target zero’ to achieve no fatalities and no serious injuries in the industry safety performance.

Human Resources Development training scheme gives priority to employers’ needs and focuses on targeted training, which aims to enhance competence and work ethics. Employment being the objective and training is the enabler. OPAL has in the last eleven years facilitated the training and employment of some 9,000 Omanis.
OPAL MEMBER’S MANDATE

We, the Members of OPAL, confirm and aspire to the following mandate:
OPAL shall be the designated VOICE OF THE OIL & GAS INDUSTRY in Oman.
OPAL shall facilitate and align the views of the Industry; gaining industry-wide consensus on how to tackle the major challenges that we face.
OPAL shall be the natural industry network platform
OPAL shall have a special focus on HUMAN RESOURCE DEVELOPMENT
OPAL shall be the guardian of BEST PRACTISE & STANDARDS to ensure that Oman’s Oil & Gas Industry is world class and internationally competitive, with particular focus on the following:
- QHSE
- Training
- HR Best Practices
- Quality Assurance
- Best Business Practices
- In-Country Value

OPAL shall represent the industry in discussions with key Ministries and Authorities in the Government of Oman

OPAL Goals and Objectives for 2016 - 2017
For the year 2016 - 2017, members request OPAL to focus on the following key assignments; and hereby give OPAL a full mandate to represent the Oil & Gas Industry in working for and achieving these goals:

1. Voice of the Industry:
   Review Omanisation policy
   - Revision of realistic Omanisation target
   - Replace quota system with focus on Omanisation through skill development
   - Establish regular engagement with key Government ministries and authorities
   - Remove regulatory limitations on driving company vehicles and establish greater flexibility to improve efficiency
   - Establish agreement with MoM on job classification

   Engage with the relevant authorities on proposed amendments of the Labour Law to cover the requirements of the O&G Industry

2. Human Capital Development
   Sustaining the ICV Agenda with MOG HR ICV Committee:
   - Provide focused certified upskilling programs
   - Liaising with MoM to establish internationally approved Vocational training Standards.
   - Learning Hub/National Career Guide management
   - Facilitate Alignment on HSE Officers certification courses
   - Facilitate Courses & Seminars for Members’ employees based on members’ needs
   - Organise Conferences and Seminars

3. Best Practice and Standards
   Best Practice:
   - Facilitate the sharing of Best Practices – Yearly OPAL Best Practice Event
   Setting Standards:
   - Establish consensus of members and facilitate the drafting of the following standards:
     Health:
     a) Minimum Occupational health standards
     b) Camp Facilities & Services standards
     Safety:
     a) Road safety standards (best practice, alignment and compliance with emphasis on non-authorised driving)
     b) Facilitate the review of critical training programs
     c) ROP Enforcement in Concession (speeding, seat belts, etc)
     d) Integration with a common IVMS hub
     e) Personal & Process Safety Learning (from incidents) catalogue
     Environment:
     a) Emission and effluent standards
     b) Energy conservation (best practice, gaps, options)
     c) Water issues/opportunities in Oil & Gas sector
Dear members,

On behalf of the Board of Directors, I am pleased to present to you OPAL’s 14th Annual Report highlighting main activities conducted during this financial year and the financial position as shown in the audited accounts for the 12-month period ending 31st December 2015.

During 2015, OPAL has undertaken an initiative which focussed on the engagement with members. the resultant operators’ forum, together with the contractors’ forum held earlier in the year, yielded plentiful insights that helped the OPAL board and the management to formulate and secure the OPAL mandate based on a focused approach in meeting the expectations of the oil & gas fraternity going forward. The said mandate sets out specific goals and objectives for 2016 and 2017. I am pleased to inform you that the OPAL mandate was supported by many of our members with whom we have subsequently consulted individually, including major operators and contractors. Our challenge will thus be to ensure that the set goals and objectives are met within the specified period.

We therefore kicked off 2016 with the accent on three key priorities in the mandate: To Serve as the Voice of the Industry; human capital development; and standards and best practice. All three objectives have been embedded in our Business Plan for the year, as well as a longer-term work plan to achieve these goals.

It should be noted however that in order to fulfil the members’ aspirations and expectations, additional resources will be required, a matter which pauses a challenge to OPAL. Having said this, the Board would like to express gratitude for the efforts exerted by the management of OPAL in terms of being able to deliver and make progress within the available means. In this regard, OPAL will be looking at its members for support, without which it will be difficult to deliver the set goals and objectives.

We are meeting amidst unprecedented challenges to our industry stemming from the ongoing slump in global oil prices. The resulting downturn, as we all know, has threatened bankruptcies and mass layoffs in our industry. But it is through collaboration between the oil companies, operators and contractors alike, labour unions and the government, we have succeeded in staving off forced redundancies of Omani staff. OPAL has played a pivotal role in bringing all of the stakeholders together in charting a blueprint to help mitigate the effects of the crisis, particularly in safeguarding Omani jobs. The Redeployment Strategy, which spells out a clear-cut blueprint for averting job losses, has been one of OPAL’s crowning achievements of the year.
OPAL has been a key player in the subsequent working team set up by the Ministry of Oil and Gas on implementing the Blueprint strategy and I am proud to announce that over 2000 employees have benefited from this scheme.

Human capital development continues to be a key area of focus for OPAL, as exemplified by our continued efforts in the Training for Employment (TFE) and Training for Development Schemes (TFD). Thanks to funding from Shell Development Office, Salalah Methanol Company and Oman LNG we have managed to train a good number of Omanis for our members. Further, a lot of work has been undertaken on the ICV front and in particular on devising the framework and foundation for skilling for the industry’s future requirement of its technical cadre.

Over the past year, we have continued to promote the importance of Compliance Verification Certification which is unquestionably a powerful tool in driving best management practices, be it in Human Capital development and Omanisation, health and safety management, or being a leader in pay and benefits aimed at attracting the best talent to the oil & gas industry.

In line with our vision to emerge as the standard-bearer of the industry, we hosted the Industry best practice event in November 2015 which was extremely well received. In addition, we hosted early this year the OPAL Oil & Gas forum under the auspices of His Excellency Salim bin Nasser al Auфи, Under-Secretary of the Ministry of Oil & Gas. We intend to organise such events at regular intervals to serve as a platform to share best practices and have enlightened debate on issues and concerns of pertinence to the well-being of our industry. Together with the newly launched OPAL magazine, our goal is to be well-integrated with the oil & gas fraternity.

My sincere thanks to my fellow colleagues on the board, the executive management, and staff of OPAL for contributing to a successful year. I also commend all our stakeholders, most notably the Ministry of Oil & Gas, for their unstinting support towards our initiatives and programmes during the course of the past year. We, the members of the board of directors, look forward to your continued cooperation and support in the coming years and I take this opportunity to thank all our Members. You are OPAL. Indeed, each of you has intrinsic value to the Society and the achievement of its objectives.

Sincerely

Majid Al-Toky
Chairman
Weathering the Oil Storm

A safety-net for Oman’s oilfield industry

Redeployment strategy yields early success stories

Creating shared value

The end goal for the ECT Committee now is to build on what has already been achieved in ECT generation and establish a network of tracking where the initiative is delivering benefits.
A hearty welcome to the 2015 Annual General Meeting of OPAL, the voice of Oman’s Oil & Gas industry!

It has been a tumultuous year indeed, characterised by upheaval and crisis unleashed by collapsing international oil prices. So we meet amidst a sense of uncertainty and gloom over what the future holds for our vitally important industry and its implications for the national economy.

Yet, we are optimistic that we will eventually ride out this crisis emerging stronger and wiser, learning critical lessons necessary to make our industry and economy resilient to future upheavals of this nature. By working collaboratively with all our stakeholders, and with the wisdom and guidance offered by the Ministry of Oil and Gas, we have successfully averted what could have been a worse outcome, notably, by formulating a ground-breaking ‘redeployment strategy’ to pre-empt job losses.

Outside of this crisis, it has been an eventful year for OPAL as we press ahead with the implementation of the OPAL Mandate 2016-2017. We continue to make headway in the rollout of a HSE Officers Competence Program designed to support the development of quality Oil & Gas Omani HSE Officers. Also taking shape are Accommodation Standards for the Oil & Gas sector.

Through the training for employment program (TFE) and thanks to our funders, we successfully trained 164 Omani graduates for our members. The Training for development program also successfully trained for the HR and HSE Certification programs a good number of Omani nationals for different companies.

As a truly representative grouping of the oil & gas industry, OPAL continued to work closely with the Ministry of Oil & Gas, Ministry of Manpower and the ICV Committees to build for the future robust competence development infrastructure, focusing primarily on technical competencies. In this context, we had several ground breaking workshops in OPAL premises to agree National Occupation Standards (NOS) for roles in Welding and Lifting Equipment and this is ongoing as a pilot which will be followed by setting NOS for Mechanical, Electrical and Instrumentation, all to international standards.
During the year, we also had an important workshop which brought together nearly a hundred participants to identify problem areas and solutions on Omanisation with different segments, such as drilling, catering, operations and maintenance, construction, and so on. Needless to add, we continue to engage with individual sectors to hammer out sector-wise actions to build for the future.

Among the highpoints of the year has been OPAL’s inaugural Best Practice Awards event that attracted the participation of 12 leading oil & gas companies. Thanks to the enormous success of this event, the OPAL Best Practice Awards will be an annual fixture in our busy calendar.

Going forward, we envision strong support for the OPAL Mandate 2016-2017 as it steers Oman’s oil & gas industry to new heights. As the industry’s principal platform for stakeholder engagement and debate, we organised the first edition of the OPAL Oil & Gas Forum in February this year with the attendance of key personalities from the Ministry of Oil & Gas and the wider fraternity. A panel discussion spotlighting the current downturn and its implications for the industry was both stimulating and instructive.

Crowning our modest achievements of the year was the launch of ‘OPAL – The Voice of Oman’s Oil & Gas Industry’, a quarterly news magazine that seeks to connect OPAL with its members and sector stakeholders. Together with the monthly online newsletter introduced in June 2015, the magazine helps realise our pledge to connect with our growing family of oil and gas companies, contractors, consultants, vendors and service providers.

We are committed to staying engaged with the community and seek your continued feedback and support in delivering the OPAL Mandate and the related programmes and initiatives. After all, engagement is indispensable as we strive to work collaboratively in dealing with the downturn, among other imperatives, at hand.

In concluding, I extend my heartfelt thanks and gratitude to our esteemed members and other stakeholders for supporting our many initiatives during the year gone by. I also applaud the support extended to us by the Ministry of Oil & Gas, and in particular the Undersecretary, H.E. Salim Al Aufi, and other government bodies in advancing our programmes and objectives.

Musallam al Mandhry
CEO
MISSION & VALUES

MISSION

■ Promoting Best Practices and “Zero” harm to People, Assets and the Environment
■ Listening to, representing and promoting the interest of our Members
■ Supporting and encouraging value added initiatives, working with our Members and in consultation with other Stakeholders
■ Liaising with Government Bodies on all aspects of the Industry
■ Identifying and addressing current and future Industry challenges and needs
■ Contributing to developing and raising Industry Performance Standards
■ Ensuring effective and timely communication with our members and other stakeholders on issues pertaining to the industry
■ Ensuring effective and transparent Governance within OPAL’s domain
■ Dedication and commitment to “In-Country Value”

VALUES

INTEGRITY: OPAL shall maintain a high level of honesty and veracity when dealing with all stakeholders

TRUST: OPAL shall endeavour to gain and maintain the trust of all stakeholders

FAIRNESS: OPAL shall apply the principle of equality when dealing with its members’ and all stakeholders’ concerns

TRANSPARENCY: OPAL shall be clear and unambiguous in all of its dealings and actions

INDEPENDENCE: OPAL shall seek to work impartially, free from the influence of any specific stakeholder for the benefit of its members
OPAL CODE OF PRACTICE

TRAINING
OPAL will work towards
- Standardised and fit-for-purpose training to an agreed standard
- Sharing of resources
- Common curriculum
- Standardised apprenticeship programmes
- Employment commitment after successful training

EMPLOYMENT PRACTICES
OPAL will work toward:
- Complying with the rules and regulations of Oman
- Deal with companies that follow the CoP
- Specific recommendations on employee rest days and annual leave
- Specific recommendations on utilization of employees in proper labour categories and national workforce transferability

IMPROVED BUSINESS PRACTICES
OPAL will work towards:
- Aligned objectives
- Simplification
- Trust and empowerment
- Teamwork
- Sharing of rewards
- Sharing of information

QHSE MANAGEMENT SYSTEM
(Alignment adjustments)
OPAL will work towards:
- Implementation of an HSE management system by all members
- Implementation of common analysis and auditing procedures
- Sharing of standards, best practices, statistical data, training resources and benchmarking information
- Improved communication and mutual assistance and support
- Implementation of reward & recognition programme

QUALITY ASSURANCE
OPAL will work towards:
- Enhancement
- Competency
- Standardisation
- Monitoring
- OPAL CVC Certification

COMMUNITY RELATIONS
OPAL will work towards:
- Enabling of local community contractors
- Providing local community contracting information
- Provide advisory services
THE PAST YEAR

Memberships
The Society issued about 381 membership certificates during 2015, including over 54 new memberships, with each membership contributing RO. 1,000.

Certification
OPAL’s Certification Function reviewed over 168 applications for fresh and renewal requests, and endorsed the issuance of 150 CVC & HSE certificates each. The service is currently provided free of any additional charge, as the membership fees cover all of the services the Society provides.

Website
OPAL’s Web-portal www.opaloman.org is successfully launched during 2015. Portal has been redesigned and it’s been made user friendly in order to serve our members as a key communication post.

HUMAN RESOURCES
In 2015, OPAL played a significant role in elevating training and employment standards in the O&G industry and, at the same time, continued to contribute to the efforts of creating job opportunities for young Omans and develop of the workforce through the following themes:

Training-for-Employment (TFE) Programmes
• OPAL Training-For-Employment scheme aimed to provide local skilled workforce into the Oil & gas sector by training them either technical or non-technical training based on the sector requirements and need.
More than 164 young Omani youth were trained through TFE scheme with a secure job opportunity, the training fees is funded with cooperation between OPAL and the funding organisations.
Different training were delver including:
  - HSE officers.
  - Pipefitters.
  - Welders (generic).
  - Welders (Arc)
  - Non Distractive Test (NDT) generic.
  - Non Distractive Test (NDT) Level II.
  - Administration.
  - Heavy Drivers.

The scheme covers all over the Sultanate and the training were delivered through specialised training providers in Muscat, Barka, Suhar and Salalah.

Training-for-Development (TFD) Programmes
• OPAL ran its popular Human Resources Certification Programme (HRCP) and OPAL’s Health, Safety, & Environment Certification Programme (HSECP) as a part of workforce development aiming to build capabilities in those two fields.
Currently, OPAL working in partnership with different international body to enhance the National Occupational Standards for Oil & gas sector.
• OPAL AGM: Held on the 30th March 2015 at Hormuz Grand Hotel, the event was very successful in terms of turnout. 200 representatives attended the event.
• Graduation Ceremony under OPAL’s HR Certification Programme and HSE Certification Programme courses: Organised in 21st Jan 2015 at Public Administration Institute.
Best Practice Showcase and OPAL Award event - held on 30th November 2015, twelve outstanding initiatives exemplifying best practice in the Sultanate’s oil and gas industry vied for top honours at an awards ceremony organised by Oman Society for Petroleum Services (OPAL) at Crowne Plaza Hotel Muscat last week.
HE Salim Al Aufy, Under-Secretary of the Ministry of Oil and Gas, was the Chief Guest at the Best Practice Awards 2015, which recognises members who raise the bar on best practice in three principal categories: Human Resources, Technical & Operational Excellence, and Health-Safety-Environment (HSE).
During 2015, OPAL completed a well-loaded agenda of activities, spanning some core activities of the Society as well as a host of events related to the Oil and Gas sector, its functions and projects.

Pact on training signed by OPAL and Oman LNG to train 30 young Omanis’ candidates in General Mechanic for Diesel Engines

OPAL and OEPPA ink pact to produce Oil and Gas magazine

Signing Agreement with MOMP for Training for Employment

Redeployment Strategy

Shell Signs two new Social Investment Contracts With OPAL worth 354,600 USD to Train 103 young Omanis on vocational Training for Employment in non-destructive testing (NDT) and welding.
Oman Society of Contractors and Opal join hands for common goals

OPAL and OSC to work in partnership on common goals

Pact on training signed by OPAL and Salalah Methanol Company worth 43,200 OMR to train 12 young Omani’s in Office Management

Road Safety Campaign Workshop in PDO

Waste Management & Recycling Conference

Omanisation Workshop in PDO

OPAL Awards in Best Business Practice
Members’ Meeting: OPAL’s Governance model provides for the Society’s ultimate authorities to be derived from the consent of all members, in addition to the Society’s Constitution.

**BOARD OF DIRECTORS**

The Board is made up of seven non-executive directors elected for a term of two years. At the AGM held in March 2015, the general meeting of the members elected its 7 Directors, all of whom are professionals and experts in their own field, thus ensuring the best guidance for the society.

The Board of Directors’ responsibilities include, amongst others, the following:

- Forming relevant steering committees and forums to handle the industry’s issues.
- Ensuring that the Society conducts its operations within the framework of the Constitution in an ethical and transparent manner.
- Appointment of the CEO and other executive managers of the Society.
- Assessing the activities and performance of the Secretariat on a quarterly basis.
- Approving the strategy, budgets, policies and business plans of the Society
- Reviewing the annual report, financial statements, accounting policies, related party transactions and fair value of contributions received by the Society.

**THE SECRETARIAT**

The body of the Society’s organisation is managed by a CEO appointed by the Board, who reports to the Board of Directors and is responsible for the day-to-day management of the Society’s affairs, based on defined authorities delegated by the Board. Musallam Al Mandhari head the Secretariat as the CEO support by team as per organisation structure given below.

The QHSE function headed by Dr. Ramesh Sivathanu as QHSE Manage and supported by Anfal Al Alawi as QHSE Officer.

The HR function, covers all the internal HR operations, strategic HR management and initiatives within the Oil & Gas industry as well as the training function provided by the Society to its members. The position is headed by Lamha Al Mawali as HR Executive Manager, who is supported by Samiha Al Wahaibi as HR Officer and Hamed Al Sarmi as Public Relation Officer – in the Learning & Development function, Abdullah Al Busaidi as Learning and development Manager and his assistant Kadhiya Al Mahrouqi as Learning and Development Administrative Assistant Manager.

The Communications function covers all internal and external communication between members, OPAL and operators, function initiatives to put
Majid Al-Toky  
Chairman  
Trowers and Hamlin

DR. Amer Al Rawas  
Board Director  
Tasneea Oil and Gas Technology

Haifa Al Khaifi  
Treasurer  
Petroleum Development Oman

Mundhir AL Barwani  
Board Director  
Al Haditha Petroleum Services

Mohsin Al Hadhrami  
Board Director  
Schlumberger Oman

Stephen Thomas  
Board Director  
Renaissance Services SAOG

Aflah Al Hadhrami  
Board Director  
Occidental of Oman
communication strategy between operators and members and between the society and the rest of members within the Oil and Gas sector.

The position is headed by Abdullah Al Harthy as Communication Executive Manager, who is supported by Azza Al Hilali as communication and Event Officer and the Receptionist Sumaya Al Balushi.

The Finance and Administration Function is made up of two positions — Function Head which is vacant and covered by the Admin & Finance Officer Sharifa Al Naamani.

The society outsources most of its finance and accounting functions to M/s KPMG.

The ICV / Best Business Practices function has remained vacant.

While the ICV portfolio has been taken over by the CEO in the interim, activation of the BBP role is awaiting a replacement resource in the position.

The Certification of compliance certificates is currently being handled by Abdulrahman Al Tamimi.

Related Party Transactions
The Board confirms that no related party transactions other than as stated in the financial statements have been transacted in the year ended 31 December 2015. No related party transactions have been effected with preferential advantage accruing to the related party concerned. All Directors and staff of the Secretariat have signed Conflict of Interest Statements. No conflicts have been noted.

Members
As at 31st December 2015 OPAL had 381 Members.

Contributions received in kind from the Members
Only one member company offers OPAL contributions in kind: Trowers & Hamlins provide legal support services.

Communication to Members
This is currently managed through meetings, workshops and by e-mail and the OPAL Website.

Stake holder engagement
OPAL is support by forums & committees which meets on a regular basis to discuss common issues & formulate solutions:

- HR Forum
- Operators Forum
- HSE Upstream Operator Forum
- HSE Contractors Forum

Profile of the statutory auditors
Moore Stephens is OPAL independent auditors and they offer their services on an honorary basis. They are an international accounting firm operating locally and are a member of Moore Stephens international network operating world-wide.

OPAL has planned to conduct a comprehensive review of manpower needs to cover the current operations efficiently, as well as to develop capability to expand activities and transactions volumes in key functions, while maintaining the required levels of controls and quality management. The results will lead to an overall improved and more impactful functioning of the Society.
REPORT ON THE FINANCIAL STATEMENTS
We have audited the accompanying financial statements of Oman Society for Petroleum Services ("OPAL") set out on pages 2 to 14, which comprise the statement of financial position as at 31 December 2015, the statement of revenue and expenditure, statement of changes in Members’ funds and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

MANAGEMENT’S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS
The Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as the Management and the Board of Directors determine is necessary to enable the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

AUDITOR’S RESPONSIBILITY
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION
In our opinion the financial statements present fairly, in all material respects, the financial position of OPAL as at 31 December 2015 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.
OMAN SOCIETY FOR PETROLEUM SERVICES

STATEMENT OF FINANCIAL POSITION
at 31 December 2015

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These financial statements were approved and authorised for issue on 28/2/2015 by the Board of Directors and signed on their behalf by:

Chairman                  Treasurer                  Chief Executive Officer

The notes on pages 6 to 14 form an integral part of these financial statements. The auditor’s report is set forth on page 1.
OMAN SOCIETY FOR PETROLEUM SERVICES

STATEMENT OF REVENUE AND EXPENDITURE
for the year ended 31 December 2015

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</tr>
</tbody>
</table>

| Expenditure                                  |     |---------|---------|
| Employee costs                               | 3    | 281,725 | 151,115 |
| Administration and general expenses         | 4 and 7 | 148,670 | 74,259  |
| Depreciation and amortisation               | 5 and 6 | 12,403  | 2,771   |
| **Total Expenditure**                       |      | 442,798 | 228,145 |

**Excess of revenue over expenditure for the year**

20,960 243,875

Note: The Society has no items of non-owner changes in Members’ funds

The notes on pages 6 to 14 form an integral part of these financial statements. The auditor’s report is set forth on page 1.
OMAN SOCIETY FOR PETROLEUM SERVICES

STATEMENT OF CHANGES IN MEMBERS’ FUNDS
for the year ended 31 December 2014

<table>
<thead>
<tr>
<th>Year to 31 December 2015</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>At 31 December 2014</td>
<td></td>
</tr>
<tr>
<td>Excess of revenue over expenditure for the year</td>
<td>1,225,204</td>
</tr>
<tr>
<td></td>
<td>20,960</td>
</tr>
<tr>
<td>------------------------</td>
<td>----------</td>
</tr>
<tr>
<td>At 31 December 2015</td>
<td>981,329</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year to 31 December 2014</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>At 31 December 2013</td>
<td></td>
</tr>
<tr>
<td>Excess of revenue over expenditure for the year</td>
<td>243,875</td>
</tr>
<tr>
<td></td>
<td>1,225,204</td>
</tr>
<tr>
<td>------------------------</td>
<td>----------</td>
</tr>
<tr>
<td>At 31 December 2014</td>
<td>981,329</td>
</tr>
</tbody>
</table>

The notes on pages 6 to 14 form an integral part of these financial statements. The auditor’s report is set forth on page 1.
OMAN SOCIETY FOR PETROLEUM SERVICES

STATEMENT OF CASH FLOWS
for the year ended 31 December 2015

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash receipts from members and training institutes</td>
<td>438,638</td>
<td>488,273</td>
</tr>
<tr>
<td>Cash paid to suppliers, training institutes and employees</td>
<td>(439,591)</td>
<td>(210,217)</td>
</tr>
<tr>
<td></td>
<td>(953)</td>
<td>278,056</td>
</tr>
<tr>
<td><strong>Investing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of furniture and equipment and intangible assets</td>
<td>(108,384)</td>
<td>(12,548)</td>
</tr>
<tr>
<td>Net movement in short term deposit</td>
<td>(1,248)</td>
<td>(1,372)</td>
</tr>
<tr>
<td></td>
<td>(109,632)</td>
<td>(13,920)</td>
</tr>
<tr>
<td><strong>Net (decrease) / increase in cash and cash equivalents during the year</strong></td>
<td>(110,585)</td>
<td>264,136</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at the beginning of the year</strong></td>
<td>870,073</td>
<td>605,937</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at the end of the year</strong></td>
<td>759,488</td>
<td>870,073</td>
</tr>
</tbody>
</table>

The notes on pages 6 to 14 form an integral part of these financial statements. The auditor’s report is set forth on page 1.
1 LEGAL STATUS

Oman Society for Petroleum Services (“OPAL” or “the Society”) is registered in the Sultanate of Oman as a society in accordance with Ministerial Decision 322 / 2001 issued on 27 October 2001 by the Ministry of Social Development (Previously: Ministry of Social Affairs, Labour and Vocational Training) and in accordance with Royal Decree 14/2000, issued on 13 February 2000.

The principal objective of OPAL is to formulate and execute action plans on behalf of its Members to enhance Omanisation; training and development; quality HSE; employment practices; community relations; business practices and quality assurance in the oil and gas industry within the Sultanate of Oman by:

■ Promoting world-class standards of professionalism
■ Addressing specific local challenges
■ Seeking innovative and cost effective solutions to problems and challenges
■ Improving communication and introducing best practices and ideas.

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC).

In the current year, the Society has adopted all applicable new and revised Standards and Interpretations issued by IASB and the IFRIC that are effective for accounting periods beginning on 1 January 2015.

The Management believes that the adoption of the amendments have not had any material impact on the presentation and disclosure of items in the financial statements for the current year.

(b) Basis of accounting

These financial statements are presented in Rials Omani (“RO”) and are prepared on the historical cost basis.

The accounting policies have been consistently applied in dealing with items, which are considered material in relation to OPAL’s financial statements.

(c) Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires the Board of Directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, revenue and expenditure. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

(d) Membership fees

Membership fee represents the fees received from Members. Fees are recognised as income in the period to which they relate.
2 SIGNIFICANT ACCOUNTING POLICIES
(Continued)

(e) Training administration fees under training for employment scheme
Training administration fees under training for employment scheme represent the fees received and/or receivable from training providers and are recognised as income when the services have been provided and it is probable that the fees will be received.

(f) Contributions
Cash contributions without any restrictions are recorded as income when received. Contributions to cover specified expenses are recognised in income when the corresponding expense is incurred. Contributed materials and services (contributions received in kind), which would otherwise be paid for by OPAL, are recorded at fair value when provided. Where an estimate of fair value cannot reasonably be made, such contributions are not recorded.

(g) In house Training programme fees
In house training programme fees represent the fees received in respect of trainees for Training certification and Health Safety Education certification; and are recognised as income when services have been provided and it is probable that they will be received.

(h) Interest, sponsorship and other income
Interest, sponsorship and other income is accounted on an accrual basis.

(i) Furniture and equipment
Items of furniture and equipment are stated at cost less accumulated depreciation and impairment losses. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in furniture and equipment. All other expenditure is recognised in the statement of revenue and expenditure as an expense as incurred. Depreciation on furniture and equipment is charged to the statement of revenue and expenditure on a straight line basis over the estimated useful lives of three years. The depreciation method, residual value and useful lives of items of furniture and equipment are reviewed annually and altered if circumstances change significantly. Any change is accounted for as a change in accounting estimate by changing the depreciation charge for the current and future periods.

(j) Intangible assets
Intangible assets are measured at cost less accumulated amortisation and accumulated impairment losses. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the statement of revenue and expenditure as an expense as incurred. Amortisation of intangible assets is charged to the statement of revenue and expenditure on a straight line basis over the estimated useful life of three years.

(k) Other receivables
Other receivables are stated at their cost less impairment losses, if any.
2 SIGNIFICANT ACCOUNTING POLICIES  
(Continued)

(l) Cash and cash equivalents  
Cash and cash equivalents comprise cash at bank and in hand.

(m) Employees’ end of service benefits  
Contributions to a defined contribution retirement plan, for Omani employees in accordance with the Oman Social Insurance Scheme, are recognised as an expense in the statement of revenue and expenditure as incurred. Provisions are made for amounts payable under the Omani Labour Law applicable to expatriate employees’ accumulated periods of service at the end of the reporting period.

(n) Provisions  
A provision is recognised in the statement of financial position when OPAL has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(o) Payables and accruals  
Payables and accruals are stated at amortised cost.

(p) Taxation  
OPAL is not subject to Omani income tax nor required to file Oman tax returns.

3 EMPLOYEE COSTS

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and allowances</td>
<td>265,430</td>
<td>141,410</td>
</tr>
<tr>
<td>Contributions to defined retirement plan</td>
<td>11,173</td>
<td>4,724</td>
</tr>
<tr>
<td>Staff medical insurance</td>
<td>1,772</td>
<td>2,787</td>
</tr>
<tr>
<td>Staff training and development</td>
<td>2,511</td>
<td>1,725</td>
</tr>
<tr>
<td>Employee terminal benefit</td>
<td>839</td>
<td>469</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>281,725</strong></td>
<td><strong>151,115</strong></td>
</tr>
</tbody>
</table>

At 31 December 2013

32
## 4 Administrative and General Expenses

<table>
<thead>
<tr>
<th>Expense</th>
<th>2015 RO</th>
<th>2014 RO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent</td>
<td>24,882</td>
<td>24,725</td>
</tr>
<tr>
<td>Function expenses</td>
<td>45,882</td>
<td>7,579</td>
</tr>
<tr>
<td>Office maintenance</td>
<td>7,385</td>
<td>7,177</td>
</tr>
<tr>
<td>Professional charges</td>
<td>13,644</td>
<td>7,942</td>
</tr>
<tr>
<td>Office refreshments</td>
<td>5,068</td>
<td>5,840</td>
</tr>
<tr>
<td>Stationery and printing</td>
<td>24,083</td>
<td>5,154</td>
</tr>
<tr>
<td>Legal expenses</td>
<td>5,000</td>
<td>5,000</td>
</tr>
<tr>
<td>Communication expenses</td>
<td>4,046</td>
<td>3,705</td>
</tr>
<tr>
<td>Travelling expenses</td>
<td>6,634</td>
<td>2,009</td>
</tr>
<tr>
<td>Electricity and water</td>
<td>1,857</td>
<td>1,861</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>10,189</td>
<td>3,267</td>
</tr>
<tr>
<td>------------------------------</td>
<td>-----------</td>
<td>-----------</td>
</tr>
<tr>
<td><strong>Total Administrative and General Expenses</strong></td>
<td><strong>148,670</strong></td>
<td><strong>74,259</strong></td>
</tr>
</tbody>
</table>

## 5 Furniture and Equipment

<table>
<thead>
<tr>
<th>Year 2015</th>
<th>Furniture and fixtures</th>
<th>Office and computer equipment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 31 December 2014</td>
<td>25,488</td>
<td>49,182</td>
<td>74,670</td>
</tr>
<tr>
<td>Additions during the year</td>
<td>82,000</td>
<td>5,553</td>
<td>87,553</td>
</tr>
<tr>
<td>Disposals during the year</td>
<td>(22,653)</td>
<td>-</td>
<td>(22,653)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>84,835</strong></td>
<td><strong>54,735</strong></td>
<td><strong>139,570</strong></td>
</tr>
<tr>
<td><strong>Depreciation</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 31 December 2014</td>
<td>23,105</td>
<td>39,279</td>
<td>62,384</td>
</tr>
<tr>
<td>Charge for the year</td>
<td>5,423</td>
<td>4,739</td>
<td>10,162</td>
</tr>
<tr>
<td>Relating to disposals</td>
<td>(22,653)</td>
<td>-</td>
<td>(22,653)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5,875</strong></td>
<td><strong>44,018</strong></td>
<td><strong>49,893</strong></td>
</tr>
<tr>
<td><strong>Net book values</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 31 December 2015</td>
<td>78,960</td>
<td>10,717</td>
<td>89,677</td>
</tr>
<tr>
<td>At 31 December 2014</td>
<td>2,383</td>
<td>9,903</td>
<td>12,286</td>
</tr>
</tbody>
</table>
## 5 Furniture and Equipment (Continued)

<table>
<thead>
<tr>
<th>Year 2014</th>
<th>Furniture and fixtures</th>
<th>Office and computer equipment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>RO</td>
<td>RO</td>
<td>RO</td>
</tr>
<tr>
<td><strong>Cost</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 31 December 2013</td>
<td>22,788</td>
<td>39,334</td>
<td>62,122</td>
</tr>
<tr>
<td>Additions during the year</td>
<td>2,700</td>
<td>9,848</td>
<td>12,548</td>
</tr>
<tr>
<td><strong>At 31 December 2014</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>25,488</td>
<td>49,182</td>
<td>74,670</td>
</tr>
<tr>
<td><strong>Depreciation</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 31 December 2013</td>
<td>22,661</td>
<td>37,042</td>
<td>59,703</td>
</tr>
<tr>
<td>Charge for the year</td>
<td>444</td>
<td>2,237</td>
<td>2,681</td>
</tr>
<tr>
<td><strong>At 31 December 2014</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>23,105</td>
<td>39,279</td>
<td>62,384</td>
</tr>
<tr>
<td><strong>Net book values</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 31 December 2014</td>
<td>2,383</td>
<td>9,903</td>
<td>12,286</td>
</tr>
<tr>
<td><strong>At 31 December 2013</strong></td>
<td>127</td>
<td>2,292</td>
<td>2,419</td>
</tr>
</tbody>
</table>

## 6 Intangible Assets

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>At the beginning of the year</td>
<td></td>
<td>94</td>
</tr>
<tr>
<td>Add: Additions during the year</td>
<td>20,831</td>
<td>184</td>
</tr>
<tr>
<td>Less: Amortisation during the year</td>
<td>(2,241)</td>
<td>(90)</td>
</tr>
<tr>
<td><strong>At the end of the year</strong></td>
<td>18,684</td>
<td>94</td>
</tr>
</tbody>
</table>

Intangible assets represent the cost of software (competency management system; Virtual Private Network client), website and software licences.

## 7 Related Party Transactions

OPAL has related party relationships through its Board of Directors. Related parties include those enterprises in which OPAL or any of its Board of Directors hold a majority interest or over which they can exercise significant influence regarding financial and operating decisions. In the ordinary course of business, the related parties render services to OPAL. The Board of Directors consider that the terms of provision of services by related parties reflect a fair value of these services. The Board of Directors do not receive any sitting fees or remuneration.
OMAN SOCIETY FOR PETROLEUM SERVICES
NOTES TO THE FINANCIAL STATEMENTS
at 31 December 2015

7 RELATED PARTY TRANSACTIONS (Continued)

a) The nature and volume of related party transactions was as follows:

<table>
<thead>
<tr>
<th></th>
<th>2015 RO</th>
<th>2014 RO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Membership fees</td>
<td>4,000</td>
<td>5,000</td>
</tr>
<tr>
<td>- Contributions (see note below)</td>
<td>14,000</td>
<td>14,000</td>
</tr>
<tr>
<td>---</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrative and general expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Legal expenses (see note below)</td>
<td>5,000</td>
<td>5,000</td>
</tr>
<tr>
<td>- Professional charges</td>
<td>6,000</td>
<td>6,000</td>
</tr>
<tr>
<td>---</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>11,000</td>
<td>11,000</td>
</tr>
</tbody>
</table>

b) The amount of related party transactions for legal expenses is a benefit in kind.

c) The amounts due from and due to related parties are interest free, on normal terms of credit and consideration to be settled in cash.

d) The amount due from a related party pertains to membership fee & contribution to be received from Petroleum Development Oman (PDO).

e) The compensation to key management personnel for the year comprises short term employment benefits and post employment benefits of approximately RO 125,599 (2014 – RO 37,430).

8 ASH AND BANK BALANCES

<table>
<thead>
<tr>
<th></th>
<th>2014 RO</th>
<th>2013 RO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash in hand</td>
<td>501</td>
<td>52</td>
</tr>
<tr>
<td>Cash at bank</td>
<td>758,987</td>
<td>870,021</td>
</tr>
<tr>
<td>---</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash in hand and at bank [see note 8 c)]</td>
<td>759,488</td>
<td>870,073</td>
</tr>
<tr>
<td>Short term deposit with bank [see note c)]</td>
<td>376,239</td>
<td>374,991</td>
</tr>
<tr>
<td>---</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and bank balances</td>
<td>1,135,727</td>
<td>1,245,064</td>
</tr>
</tbody>
</table>
The following further notes apply:

a) OPAL holds an amount of RO 763,669 (2014 – Nil) in separate bank account. OPAL has received these amounts from certain members towards the cost of HR In-Country Value Initiatives, based on the agreement with the Ministry of Oil and Gas. OPAL was appointed to manage the payment process on behalf of all operators in order to ensure transparency. The amounts are managed and accounted independently from OPAL operations and accordingly are not included in these financial statements.

b) OPAL holds an amount of RO 68,070 (2014 – RO 68,070) in a separate bank account, in trust for and on behalf of the donors, which was received as donations by Members towards Cyclone Gonu. The donation amounts received shall be used through government agencies to alleviate Gonu’s disastrous impact on the less fortunate. During the year no amount was used for the above purpose (2014 – nil). The amounts are managed and accounted independently from OPAL operations and accordingly are not included in these financial statements.

c) Short term deposits are placed with a local commercial bank and have a maturity period of 3 to 6 months (2014 – same maturity period) from the date of deposit. The deposit carried interest during the year at rates ranging from 0.10% to 0.5% (2014 – 0.4% to 0.5%) per annum.

### 9 OTHER RECEIVABLES AND PREPAYMENTS

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due from training institutes / Sponsors</td>
<td>6,620</td>
<td>2,500</td>
</tr>
<tr>
<td>Prepayments</td>
<td>11,165</td>
<td>10,887</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>17,785</strong></td>
<td><strong>13,387</strong></td>
</tr>
</tbody>
</table>

### 10 PAYABLES AND ACCRUALS

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade payables</td>
<td>5,400</td>
<td>14,925</td>
</tr>
<tr>
<td>Other payables</td>
<td>-</td>
<td>233</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5,400</strong></td>
<td><strong>15,158</strong></td>
</tr>
</tbody>
</table>

### 11 TAXATION

No provision for taxation has been made in these financial statements as OPAL is not a company under Omani laws but only a non-profit society. This has been communicated to the Taxation Authorities accordingly.

In the unlikely event that OPAL is subject to tax, the Board of Directors believes that the resultant taxation will not be material to the financial position of OPAL.
12 LEASE COMMITMENTS

OPAL has entered into operating lease agreements on 1 July 2015 valid up to 30 June 2016 and another one on 15 May 2015 valid up to 14 May 2016 in respect of the office blocks occupied by OPAL. At the end of the reporting period, the Society has no non-cancellable operating lease commitments as the entire commitment amount for the following year has been prepaid.

13 FINANCIAL INSTRUMENTS

Financial assets of OPAL include other receivables and prepayments and cash and bank balances. Financial liabilities include amounts due to related parties, membership fees received in advance and payables and accruals. Financial assets and liabilities are carried at amounts considered to be their fair values.

Financial risk management

Overview

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

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors have overall responsibility for the establishment and oversight of OPAL’s risk management framework. It also has the responsibility of developing and monitoring OPAL’s risk management policies and procedures and compliance with them. Risk management policies and systems are reviewed regularly to ensure they reflect any changes in market conditions and OPAL’s activities. OPAL, through its induction and training program, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to OPAL if a counter party to a financial instrument fails to meet its contractual obligations, and arises principally from OPAL’s receivables from training institutes.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the end of the reporting period was:
NOTES TO THE FINANCIAL STATEMENTS
at 31 December 2015

13 FINANCIAL INSTRUMENTS (Continued)

Due from training institutes (included in other receivables)
Due from a related party

<table>
<thead>
<tr>
<th>2015 RO</th>
<th>2014 RO</th>
</tr>
</thead>
<tbody>
<tr>
<td>6,620</td>
<td>2,500</td>
</tr>
<tr>
<td>10,000</td>
<td>--</td>
</tr>
<tr>
<td>---------</td>
<td>-------</td>
</tr>
<tr>
<td>16,620</td>
<td>2,500</td>
</tr>
</tbody>
</table>

The ageing of receivables from training institutes as at the year end was as follows:

<table>
<thead>
<tr>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance RO</td>
<td>Impairment RO</td>
</tr>
<tr>
<td>16,620</td>
<td>--</td>
</tr>
</tbody>
</table>

Liquidity risk

Liquidity risk is the risk that OPAL will not be able to meet its financial obligations as they fall due. OPAL’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 OPAL’s reputation.

Typically OPAL ensures that it has sufficient cash on demand to meet expected operational expenses. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

There are no significant liabilities at the end of the reporting period falling due after more than one year.

Market risk

Market risk is the risk that changes in market prices, such as foreign currency exchange rates, and interest rates which may affect OPAL’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 on risk.

OPAL is not exposed to any significant market risk.