

Renaissance posts RO30mn net loss on one-off provision

Our Correspondent
Muscat

Renaissance Services reported a net loss of RO30mn for the year ended December 31, 2015 compared with a net profit of RO25.43mn in the previous year.

The loss was mainly due to a one-off provision of RO27.3mn provided for impairment of vessels.

Renaissance Services' total revenues declined 3.4 per cent to RO236mn in 2015 from RO244.4mn in 2014, according to the company's filing with the Muscat Securities Market on Sunday.

The company reported one-off charges of RO35.7mn, of which the provision for impairment of vessels was the largest, at RO27.3mn.

Renaissance said the steep decline in oil prices has impacted the company's operational performance, especially its offshore



support vessel (OSV) business (Topaz). While Topaz has performed well in its home markets of Caspian and MENA, the impact is in its new emerging market, West Africa, it said.

The company said the decrease in oil prices to the lowest in a decade and its impact on the valuation of assets and businesses in the oil and gas industry has been substantial. "Topaz's long-term contract visibility is able to support the value in use

for the major portion of its fleet. However, where the vessels are on short-term contracts and were underutilised, we have taken prudent decisions on impairment in line with IFRS requirements to recognise the fall in market value of those assets," Renaissance said.

The company said its contract services division performed better, despite accounting for initial start-up costs in its new UAE market.