

UAE grapples drones after airport closures

Dubai authorities are grappling with new ways of keeping the emirate's skies safe after drones halted air traffic at one of the world's busiest airports three times last year.

The delays were necessary to protect passengers, officials said, but they hit thousands of travellers and cost airlines millions of dollars.

Drones pose a "threat to the flying public" and "to an aircraft in operation," said Ismaeil al-Blooshi, deputy head of the air safety department of the United Arab Emirates' civil aviation authority.

He compared drones to the

threat posed by birds, but said they were less predictable and harder to avoid.

"We have means and data to predict when and where is the bird migration... but with drones, you have this object in the air and you don't know the intentions" of the operator, he said.

The cost of closing airspace for one hour runs into millions and creates a long backlog, but there is no room to compromise on safety, Blooshi said.

"The economic impact is not even on the table" when considering the risks, he said.

"After last year's incidents, operator Dubai Airports

stressed that flying drones within five kilometres (three miles) of airports was illegal.

New regulations introduced last year stipulate up to three years in jail or a fine of 100,000 dirhams (\$27,000, 25,000 euros) for flying a drone over a prohibited zone.

But Dubai-owned carrier Emirates, the world's busiest international passenger airline, urged authorities to go further, introducing drone detectors.

"Flight diversions and network disruptions due to unauthorised drone activity... cost Emirates airline millions of dirhams on each occasion, and impacted thousands of passengers," it said after

one drone-related delay in November.

Authorities have even examined the possibility of hunting down the devices.

The International Defence Exhibition and Conference, one of the largest arms fairs in the Middle East, on Monday showcased a private company's drone hunting system.

Dubai-based SkyStream said it had crafted a three-phase system that could identify whether the drones were "friendly" and jam their signals in case they were not.

A security official said Dubai police now have the ability to overpower a drone and bring it down.

The aviation authority has introduced a mobile phone application that clearly marks out no-fly zones for drones across the country, telling users immediately where they can and cannot fly.

Out-of-bounds areas include those around airports, military zones and other government installations.

The authority also wants drone owners to register their devices.

Another measure under study is geo-fencing, meaning that drones are pre-programmed to make them unable to enter restricted areas even if users try to send them there. *-(AFP)*

How many drone incidents?

The International Air Transport Association (IATA), which sets global standards for the aviation industry, counted 856 cases worldwide between January 2013 and August 2015 of a drone getting too close to a plane for comfort.

Are there worldwide rules?

According to IATA, 65 countries currently have rules for the use of small drones.

What about Europe?

There is no Europe-wide legislation concerning drones. However, for drones weighing more than 150 kilograms EASA has the power to legislate.

And the US?

The United States has flagged new rules for commercial drones under which it will not be authorised to fly above an altitude of 122 metres or go faster than 161 kilometres (100 miles) per hour.

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Consolidated Financial Statements - 31 December 2016



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2016 US\$ '000

	31 December 2016	31 December 2015
Assets		
Cash and bank balances	3,884	4,366
Available-for-sale investments	5,855	6,471
Investment in associates	21,686	20,945
Other assets	296	282
Total assets	31,721	32,064
Liabilities and equity		
Liabilities		
Borrowings from shareholders	9,649	9,649
Other liabilities	2,616	5,006
Total liabilities	12,265	14,655
Equity		
Share capital	81,222	81,222
Share premium	42,111	42,111
Accumulated losses	(107,286)	(109,758)
Statutory reserve	3,923	3,648
Treasury shares	(700)	-
Investment fair value reserve	186	186
Total equity	19,456	17,409
Total liabilities and equity	31,721	32,064

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

as at 31 December 2016 US\$ '000

	2016	2015
Share of profit from associates	2,558	2,277
Dividend income	32	-
Gain on disposal of available-for-sale investments	106	89
Other income	1,408	1,652
Total income	4,104	4,018
Staff cost	132	210
Interest expense	40	37
Impairment of available-for-sale investments	506	321
Other operating expenses	679	960
Total expenses	1,357	1,528
Profit for the year	2,747	2,490
Attributable to:		
Equity holders of the Bank	2,747	2,616
Non-controlling interest	-	(126)
	2,747	2,490

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2016 US\$ '000

	2016	2015
Profit for the year	2,747	2,490
Other comprehensive income		
Items that are or may subsequently be reclassified to profit or loss		
Net change in fair value of available-for-sale investments	-	(42)
Fair value of available-for-sale investments transferred to profit or loss on disposal	-	(7)
Total other comprehensive income for the year	-	(49)
Total comprehensive income for the year	2,747	2,441
Attributable to:		
Equity holders of the Bank	2,747	2,567
Non-controlling interest	-	(126)
	2,747	2,441

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2016 US\$ '000

	2016	2015
OPERATING ACTIVITIES		
Profit for the year	2,747	2,490
Adjustments for:		
Impairment of available-for-sale investment	506	321
Gain on sale of available-for-sale investment	(106)	(89)
Share of profit from associates	(2,558)	(2,277)
Other income	(1,163)	(1,240)
Operating income before changes in operating assets and liabilities	(574)	(795)
Changes in operating assets and liabilities:		
Restricted cash	2,486	1,272
Other assets	(14)	(26)
Other liabilities	(2,079)	(1,003)
Net cash used in operating activities	(181)	(552)
INVESTING ACTIVITIES		
Sale/redemption of investments	219	213
Dividend from associate	1,817	1,858
Net cash generated from investing activities	2,036	2,071
Increase in cash and cash equivalents during the year	1,855	1,519
Cash and cash equivalents at the beginning of the year	1,530	11
Cash and cash equivalents at the end of the year	3,385	1,530
Represented by:		
Cash on hand	1	2
Current accounts with banks	310	1,528
Fixed deposit (original maturity of less than 90 days)	3,259	-
	3,570	1,530

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2016 US\$ '000

	Total equity attributable to equity holders of the Bank						Non-controlling interest	Total equity	
	Share capital	Share premium	Treasury Shares	Statutory reserve	Investment fair value reserve	Accumulated losses			
Balance at 1 January 2016	81,222	42,111	-	3,648	186	(109,758)	17,409	-	17,409
Comprehensive income for the year:									
Profit for the year	-	-	-	-	-	2,747	2,747	-	2,747
Other comprehensive income									
Net change in fair value of available-for-sale investments	-	-	-	-	-	-	-	-	-
Transfer to profit or loss on disposal	-	-	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year						2,747	2,747		2,747
Treasury shares received during the year	-	-	(700)	-	-	-	(700)	-	(700)
Transfer to statutory reserve	-	-	-	275	-	(275)	-	-	-
At 31 December 2016	81,222	42,111	(700)	3,923	186	(107,286)	19,456		19,456
Balance at 1 January 2015	81,222	42,111	-	3,648	235	(112,374)	14,842	126	14,968
Comprehensive income for the year:									
Profit for the year	-	-	-	-	-	2,616	2,616	(126)	2,490
Other comprehensive income									
Net change in fair value of available-for-sale investments	-	-	-	-	(42)	-	(42)	-	(42)
Transfer to profit or loss on disposal	-	-	-	-	(7)	-	(7)	-	(7)
Total other comprehensive income	-	-	-	-	(49)	-	(49)	-	(49)
Total comprehensive income for the year						2,616	2,567	(126)	2,441
At 31 December 2015	81,222	42,111	-	3,648	186	(109,758)	17,409	-	17,409

Salem Al Noaimi
Chairman

Jassem Zainal
Vice Chairman

The above statements have been extracted from the audited Consolidated Financial Statements for the year ended 31st December, 2016 which an unqualified audit opinion was issued by KPMG Fakhro, Kingdom of Bahrain.