HM Sultan Qaboos Bin Said, Sultan of Oman

Oman Fisheries Co. S.A.O.G

Twentyseventh Annual Report
2015 - 2016

Oman Fisheries Co. S.A.O.G

INDEX

Oman Fisheries Co. S.A.O.G

BOARD MEMBERS

Sheikh Mohammed bin Hamad bin Ali Al Masrouri
Chairman

Dr. Khalid Mansoor Sabil Al Zadjali
Deputy Chairman

Abdul Ameer bin Said bin Mohammed
Director

Saleh bin Nasser bin Juma Al Araimi
Director

Musalam Amer Al Ammri
Director

Sheikh Salah bin Hilal bin Naser Al Mawali
Director

Diyab Bin Khalfan bin Hidaib Al Siyabi
Director

Mal Allah Ali Yousuf Al Zadjali
Director

CHAIRMAN REPORT

Dear Shareholders,

On behalf of the Board of Directors, I present the Company's audited consolidated results for the Financial year ended 31st March 2016.

Turnover and summary of results:

The audited results of the financial year ended 31st March 2016, represent the consolidation of Oman Fisheries co. SAOG, Oman Fisheries Co. FZE and Al Ameen Stores and Refrigeration LLC.

2015-16 is the first year of new three year strategy plan (2015-16 to 2017-18).

The key strategic pillars to the three year strategic plan were as follows:

- Sustainable profitability
- Controlling costs
- Breakeven point identification
- Targeting business growth.

In the light of the implementation of three year strategy the summarised performance is as under:

Your company has achieved the consolidated turnover of RO 25.86 Million in 2015-16 compared to the previous year turnover of RO 23.89 Million (8% increase for the same period). However there had been following hindrances;

Lower catch of Low landing of cuttle fish, one of the high margin species due to erratic oceanic conditions (2,428 MT in 2015-16 compared to 4,283 MT in 2014-15).

Overall lower landing of fish due the change in oceanic climatic conditions.

On the brighter side, the Co. had a record turnover in Al Ameen OMR 4,568,443 in 2015-16 compared to OMR 2,056,844 in 2014-15.

Despite the abovementioned challenges, the Co. managed to reduce the overall loss sustained loss of RO 446,212 as compared to the loss of RO 1,753,714 of previous year.

Human Resources Development and Omanisation:

As part Business Plan implementation priorities, management focused on improving the quality of the Individual development plans and imparting departmental training to nurture skills, knowledge required to achieve objectives effectively and efficiently to the Omani Nationals.

The Management had realigned its strategy to ensure continuity going forward. Management had taken various steps to meet the challenges of skill up-gradation, capability building programs, leadership development programs and reward system. Management had set Key Performance Indicators (KPIs) for each department and on achievement of

KPIs employees of that department will be rewarded suitably.

As part of CSR initiatives, the company has sponsored the higher education to key Omani talents thereby harnessing their potential to become future leaders in this sector.

Contribution to Food Security

As a part of supporting to Government's initiative of food security and making available fish across the Sultanate of Oman, we had taken number of steps. In order to keep the fish prices under control during off season and Ramadan, we have reserved sufficient stock for the local consumption. We had made strategic plan to cover all the regions of the Sultanate.

Future outlook

As a part of its future outlook the company is intending to set up phase II project of Al Ameen through construction of additional cold store facility of 2800 MT. Al Ameen is currently geared towards aligning its performance in key result areas namely Warehousing ,trading and support services.

Management is also looking ahead into the proposal of venturing into carton packaging project by partnering with a renowned packaging group in Sri Lanka.This would effectively build up horizontal strength of the group over and above fostering vertical growth.

Encouraging SMEs' in setting up franchise fish shops all over Oman with financial and technical assistance of OFC.

Business Plans are on way to activate the role of OFC local sales and be able to contribute towards Food Security initiatives of the nation

Corporate Social Responsibility

On the Social front, the company had sponsored and supported many social events, local communities on their various initiatives. Your Company has been actively engaged in training the fisherman on the aspects of fish quality enhancement besides educating them on eco-friendly fishing practices. The Company since its foundation, has advocated for environmental protection and improvement, whether directly through its own investment in means which allow maximum respect for Nature, or by means of encouraging the enactment of laws and regulations which may protect it.

Internal control systems:

The system of internal control of the Company is in line with the size of its operations, business activities and in conformity with the requirement of the Capital Market Authority. The Company had established in-house internal audit department who is directly reporting through Internal Audit Committee to the Board of Directors. In addition to this Company had appointed PWC as internal auditor. The Internal Audit Committee formed by the Board of Directors reviews effectiveness of internal controls and interacts on regular basis with internal auditor to review their reports. Government of Sultanate of Oman is holding 24% stake in Company. Company is committed to follow laws and regulations set up through its Articles of Association and Capital Market Authority.

As per normal corporate practice the State audit has reviewed the Company's accounts in 2015-16 for the previous year's 2012, 2013 and 2014.

As a result there has been some audit queries pertaining to 2012, 2013 and 2014.

The Board of Directors formed an independent committee to review the audit findings and report to Board. The Board of Directors is taking key decisions which are as follows:

- To take action against the employees involved in the findings of the reports as per Company's HR policy.
- To strengthen the management structure of the Co. by appointing CEO.
- Advice the internal auditor to institute internal control procedures to review all the financial and administrative policies and make sure the policies are in conformity to the code of corporate governance and highlight weaknesses, if any.

- To advice the General Manager, executive managers and all the employees to give report every three months any information on related parties and to submit along with periodical accounts to the internal audit committee and to the board.
- The Board of Directors also decided to carry out transactions of assets only on approval of authorized representatives.
- To implement the approved strategy of the Co. and to advice follow up committee to follow up and evaluate the implementation of the strategy to ensure the targets are being achieved.
- To take active steps to appoint specialists to review the strategies in line with corporate governance and coordinate with New CEO (to be appointed soon).
- To intimate any new developments related to the state audit reports from time to time

Acknowledgement

On behalf of the Board of Directors and Management of the Company, I wish to acknowledge and expressed my sincere gratitude to His Majesty Sultan Qaboos Bin Said and his Government for establishing good working environment in the fisheries sector and for taking good steps for food security in the Country. Further, on behalf of all of us I am sincerely thankful to the Ministry of Agricultural and Fisheries and all Government agencies for their continuous support to Oman Fisheries Co. SAOG.

Further, we are extending our thanks to, suppliers, banks, customers the employees of the Company for their continuous efforts and we are wishing them all the success for the coming financial year.

Mohammed Bin Hamad Al Masrouri
Chairman

Abdul Amir Bin Said Bin Mohammed
Chairman-Internal Audit Committee

Deloitte.

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TO THE SHAREHOLDERS OF
OMAN FISHERIES COMPANY SAOG

We have performed the procedures prescribed in Capital Market Authority (CMA) Circular No. 16/2003 dated 29 December 2003 with respect to the accompanying corporate governance report of **Oman Fisheries Company SAOG** and its application of corporate governance practices in accordance with CMA Code of Corporate Governance issued under circular No. 11/2002 dated 3 June 2002 as supplemented by the Rules and Guidelines on Disclosure by Issuers of Securities and Insider Trading approved by Administrative Decisions no. 5/2007 dated 27 June 2007 and the Executive Regulation of the Capital Market Law issued under the Decision No. 1/2009 dated 18 March 2009 (collectively the Code and additional regulations and disclosures). Our engagement was undertaken in accordance with the International Standards on Related Services applicable to agreed-upon procedures engagements. The procedures were performed solely to assist you in evaluating the Company's compliance with the code as issued by the CMA.

We report our findings as below:

We found that the Company's corporate governance report fairly reflects the Company's application of the provisions of the Code and is free from any material misrepresentation.

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on the corporate governance report.

Had we performed additional procedures or had we performed an audit or review of the corporate governance report in accordance with International Standards on Auditing or International Standards on Review Engagements, other matters might have come to our attention that would have been reported to you.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose. This report relates only to the accompanying corporate governance report of **Oman Fisheries Company SAOG** to be included in its annual report for the year ended 31 March 2016 and does not extend to any financial statements of **Oman Fisheries Company SAOG**, taken as a whole.

Deloitte & Touche

Deloitte & Touche (M.E.) & Co. LLC
Muscat, Sultanate of Oman
13 June 2016

REPORT ON CORPORATE GOVERNANCE

The Company has implemented the Code of Corporate Governance during the financial year issued by the Capital Market Authorities.

1. Company Philosophy on Code of Corporate Governance

The Company has always believed in fair business and corporate practices while dealing with Shareholders, employees, Customers, Creditors and Others. The Company is prompt in discharging its statutory obligations and duties. The Company is maintaining policies, procedures and systems for the purposes to ensure the fair and timely release of information about the Company.

The Board of Directors ("the Board") has had adequate representation of the qualified, Non-executive and Independent Directors. The Board has constituted various Committees of directors from time to time for the matters which require special attention. The Board has adequately empowered the Executive Management on all day-to-day matters, subject to the overall authority vested in the Board. The Directors attending the Board and Committee meetings and actively participate in their proceedings. The Company lays strong emphasis on audit and internal controls, having regard to the nature of the company's business and has introduced suitable checks and balances to ensure sound integrity of the operations. The Company also lays a very high emphasis on total compliance with the various laws and regulations of the Country.

2. Board of Directors

As per the Article 19 of Articles of Association of the Company the strength of the Board is eight Directors, and all of them are Non executive and Independent among them 6 Directors are elected by shareholders during the AGM and 2 directors are appointed by resolution from the Cabinet.

The primary functions of the Company's Board of directors in general include amongst others the following:

- To approve business and financial policies to meet the objectives of the Company and enhance shareholders value.
- Review and approve the Company's annual budget / plans and monitoring corporate performance against the budget.
- Approve and implement the disclosure policy in compliance with regulatory requirements.
- Ensure compliance with regulatory requirements, policies, procedures and laws.
- Nominating members of subcommittees and defining their roles, responsibilities and authorities.
- Evaluate and appoint senior management executives.
- Review effectiveness of systems and procedure of internal controls.
- Constantly monitor and oversee the Corporation's financial position, adherence to reporting standards and policy of public disclosure of material information.

To facilitate proper governance, the Company's management places before the Board, at least, the minimum information as required by Article 4 of the Code of Corporate Governance.

The current Board of directors as on 31st March 2016 consists of 8 members, six of them were elected on 15th June 2015 and other two were appointed by the Cabinet. The details of them is as follows:

Composition of Board of Directors

Name of the Director	Designate	Category, basis & Capacity of Membership	Number of other Boards of SAOG Companies in which Director
Mohammed bin Hamad bin Ali al Masrouri	Chairman	Non – Executive, Independent & In Personal Capacity	-
Dr. Khalid Mansoor Sabil Al Zadjali	Deputy Chairman	Non – Executive, Independent & Nominee of Ministry of Finance.	-
Mr. Saleh bin Nasser bin Juma al Araimi	Director	Non – Executive, Independent & In Personal Capacity	1
Mr. Abdul Ameer bin Said bin Mohammed	Director	Non – Executive, Independent & In Personal Capacity	-
Sheikh Salah bin Hilal bin Naser al Mawali	Director	Non – Executive, Independent & In Personal Capacity	3
Mr. Mal Allah Ali Yousuf Al Zadjali	Director	Non – Executive, Independent & Nominee of Ministry of Finance.	1
Mr. MusalamAmer Al – Ammri	Director	Non – Executive, Independent & In Personal Capacity	-
Mr. Dhiyab bin Khalfan bin Hidaib Al Siyabi	Director	Non – Executive, Independent & In Personal Capacity	-

Number of Meetings held and Dates of the meeting:

Meeting Description	Name of Directors / Members	Designation	Date of holding Meeting
Board of Directors Meeting	All Directors		• 10/05/2015 • 20/05/2015 • 15/06/2015 • 29/07/2015 • 27/10/2015 • 26/01/2016 • 30/03/2016
Executive Committee Meeting	Dr. Khalid Mansoor Sabil Al Sadjali Mr. Saleh bin Nasser bin Juma al Araimi Mr. Mal Allah Ali Yousuf Al Zadjali Mr. MusalamAmer Al – Ammri	– Chairman – Member – Member – Member	• 11/10/2015 • 23/12/2015 • 27/01/2016 • 28/02/2016
Internal Audit Committee Meeting	Mr. Abdul Ameer bin Said bin Mohammed Sheikh Salah Bin Hilal Bin Naser Al Mawali Mr. Dhiyab bin Khalfan bin Hidaib Al Siyabi	– Chairman – Member – Member	• 07/05/2015 • 20/05/2015 • 29/07/2016 • 26/10/2016 • 25/01/2016 • 01/02/2016

Strategic Plan (Follow-up Comittee)	Dr. Khalid Mansoor Sabil Al Zadjali Mr. Saleh bin Nasser bin Juma al Araimi Mr. Abdul Ameer bin Said bin Mohammed	– Chairman – Member – Member	• 22/06/2015 • 25/08/2015 • 10/01/2016 • 13/01/2016

Name of Director	Annual General Meeting	Board Meeting	Attendance of Meeting for the year ended 31-03-2016			
			Executive Committee Meeting	Strategic plan Follow up Committee	Internal Audit Committee Meeting	Total Sitting Fees paid (RO)
Mohammed bin Hamad al Masrouri	Yes	7	-	-	-	3,500
Dr. Khalid Mansoor Sabil Al Zadjali	Yes	7	4	4	-	5,200
Mr. Saleh bin Nasser bin Juma al Araimi	Yes	4	3	4	-	3,350
Mr. Abdul Ameer bin Said bin Mohammed	Yes	7	-	2	6	5,100
Sheikh Salah bin Hilal bin Naser al Mawali	Yes	6	-	-	5	3,650
Mr. Mal Allah Ali Yousuf Al Zadjali	No	6	3	-	-	3,150
Mr. Musalam Amer Al – Ammri	Yes	7	4	-	-	3,800
Mr. Diyab Bin Khalfan bin Hidaib Al Siyabi	Yes	5	-		4	3,000
Mr. Qais bin Mahmood bin Abdalla al Khonji (**)	No	2	-	-	2	1,300
Total		**-**	**-**		**-**	**32,050**

** Mr. Qais bin Mahmood bin Abdalla al Khonji attend the 2 Board meeting and 2 Internal audit committee meeting during the year 2015-16 and he is out of the board later.

3. Process of Nomination of Directors:

The Company's Board of Directors comes up for election once in three years. Accordingly, the present Board Election was to be held during the year's AGM.

Persons wishing to get nominated for the position of Director must hold minimum qualifying shares, as stipulated under Article 19 of the Company's Articles and Memorandum of Association, in addition to meeting other requirements as stipulated under the Commercial Companies Law. Currently the minimum numbers of shares for qualification is 30,000.

The Shareholder who wishes to be nominated, subject to the above qualification, shall collect the nomination forms either from the Company's office or the Capital Market Authority and complete the same and deposit it with the Company at least two (2) days before the date of the Annual General Meeting. The candidate shall ensure that all information required in the form is provided in an accurate and clear manner.

At the Annual General Meeting, all nominations that have been accepted by CMA shall qualify for the election to the Board, as per procedures laid down under the law.

4. Audit Committee

The Board of Directors has formed an Audit Committee, comprising of three independent directors. The committee was reconstituted on. The summary of responsibilities is as under:

- Examination of the adequacy and effectiveness of the internal control systems, policies and Procedures established by the management and ensure that recommendation made by the auditors in this regard are implemented.
- Oversee the activities of the statutory and internal auditors, including their appointment, scope of work, performance, review of their findings and recommendation and management action thereon.
- Ensure compliance with Laws and Regulations of the Sultanate.
- Report to the Board regarding committee activities and recommendations and keep the Board aware of matters affecting the business affairs and financial condition of the Company.
- Authorize the implementation of the Board's strategy.
- Oversee the implementation of the Board's strategy.

Considering the name of the auditor in the context of their independence, fees and terms of engagement and recommending their name to the board for putting before the AGM for appointment.

Review the audit plan and results of the audit and whether auditors have full access to all relevant documents.

Checking the financial fraud particularly fictitious and fraudulent portion of the financial statements.

Review the quarterly and yearly financial statements before issues, review of qualifications in the draft financial statements and discussion of accounting principles. In particular, change in accounting policies, principles and accounting estimates in comparison to previous year, any adoption of new accounting policy, any departure from International Accounting Standards (IAS) and non-compliance with disclosure requirements prescribed by the CMA.

Serving as a channel of communication between external auditors and the board and also internal auditors and the board.

Reviewing risk management policies and looking into the reasons of defaults in payment obligations of the company.

Reviewing the specific transactions with related parties for making suitable recommendations to the board and setting rules for entering the small values transactions with related parties without obtaining the prior approval of audit committee and the board.

5. Executive Committee

The Board Executive Committee, which comprises of 4 directors, is chaired by the Dy. Chairman to the Board of Directors and meets as and when required. The objective of the Executive Committee is to discharge responsibilities on behalf of the board in deciding on specific and any other matters. The Executive Committee also reviews and recommends to the Board of Directors the annual budget of the Company.

6. Remuneration Matters

- Sitting Fees of RO 32,050/- was paid to the directors during the year. During this year Board of directors had proposed remuneration of RO Nil (P.Y. Nil).
- The top seven senior executives of the Company have received a total amount of R.O. 157,341/- The above includes salary, benefits, bonuses, gratuity, etc.
- There are no incentives payable to the above based on performance criteria.
- Consolidated audit fees payable for the financial year 2015-16 is RO. 11,525/-

7. Details of Non-Compliance by the Company.

There were no penalties or strictures imposed on the Company by MSM/CMA or any statutory authority for the last 3 years. There are no areas in which company is not compliant with the code of Corporate Governance.

8. Means of Communication with the Shareholders

a) Quarterly results are published in Arabic and English local newspaper and the Shareholders are notified that the detailed accounts will be sent to any Shareholder who requests the same.

b) Annual Reports containing the audited financial statements together with the Chairman's Report, Related Party Transactions and invitation to attend the AGM are sent by registered Post to all shareholders.

c) Management Discussion and Analysis Report is a part of this Annual report.

d) The company has its own website and the information relating to the Company products and facilities are posted on the website for all interested parties. The company's website is www.omanfisheries.com

9. Market Data

a) The following table depicts the high, and low of company's share traded during the financial year ended 31st March 2016 with month end general index.

MONTH	HIGH	LOW	MSM Index
Apr-15	0.059	0.056	6,322
May-15	0.055	0.054	6,388
Jun-15	0.055	0.054	6,425
Jul-15	0.052	0.052	6,558
Aug-15	0.050	0.049	5,872
Sep-15	0.051	0.051	5,788
Oct-15	0.059	0.057	5,926
Nov-15	0.051	0.050	5,548
Dec-15	0.052	0.052	5,406
Jan-16	0.049	0.047	5,179
Feb-16	0.058	0.057	5,395
Mar-16	0.058	0.057	5,467

b) Distribution of Shareholding No Change

The share capital comprises of 125,000,000 fully paid ordinary shares of R.O. 0.100 each.

Major shareholders as of 31/03/2016

Shareholders	Number	No. of Shares held	Shareholding %
Government of Sultanate of Oman	1	30,000,000	24.00 %
Others – Public	15,630	95,000,000	76.00%

10. Review of Internal Control Systems and their adequacy

The company has been constantly monitoring and upgrading its internal control procedures and systems. The company has appointed an in house internal audit team as well as an external firm of auditors for the review of internal controls .Further, the Audit Committee is involved in the review process and has reviewed the internal controls and procedures adopted by the company and found them to be effective.

11. Internal Audit Department

Company having in-house Internal Audit Department headed by CA. Shahzad Chandio who is a Chartered Accountant from the Institute of Chartered Accountants of Pakistan. His Previous Experience includes 5 years of working with an audit firm and 2 years of working as an auditor in a Bank in Pakistan.

Further, Company had appointed PwC audit firm to assist her for carrying out Internal Audit function. PwC is a global network of firms operating in 158 countries with 169,000 people committed to providing quality in assurance, tax and advisory services.

PwC is the fastest growing professional services firm in the Middle East region and has offices in Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Oman, the Palestinian territories, Qatar, Saudi Arabia and the United Arab Emirates, employing around 2,500 people.

PwC has been established in Oman for over 40 years and the Firm comprises four partners, including one Omani national, and over 140 professionals and support staff. Expert assurance, tax and advisory professionals are able to combine specialist internationally acquired consulting and technical skills with relevant local experience.

You can find more information about PwC at: www.pwc.com/middle-east.

12. External or Statutory Auditors and their Professional Profile

Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

Deloitte provides audit, tax, consulting, and financial advisory services to public and private clients spanning multiple industries. With a globally connected network of member firms in more than 150 countries, Deloitte brings world-class capabilities and high-quality service to clients, delivering the insights they need to address their most complex business challenges. Deloitte has in the region of 200,000 professionals, all committed to becoming the standard of excellence.

Deloitte's professionals are unified by a collaborative culture that fosters integrity, outstanding value to markets and clients, commitment to each other, and strength from cultural diversity. They enjoy an environment of continuous learning, challenging experiences, and enriching career opportunities. Deloitte's professionals are dedicated to strengthening corporate responsibility, building public trust, and making a positive impact in their communities.

About Deloitte &Touche (M.E.):

Deloitte &Touche (M.E.) is a member firm of Deloitte Touche Tohmatsu Limited (DTTL) and is the first Arab professional services firm established in the Middle East region with uninterrupted presence for over 87 years. Deloitte is among the region's leading professional services firms, providing audit, tax, consulting, and financial advisory services through 26 offices in 15 countries with over 2,500 partners, directors and staff. Deloitte has been annually classified as a Tier 1 Tax advisor in the GCC region since 2010 by the International Tax Review World Tax Rankings.

13. Legal consultant

M/s Suliman Al Busaidi is a noted local legal consultant who employs qualified professional lawyers and was appointed as our retainer legal consultants for pursuing the company's legal matters.

14. Acknowledgment

The Board of Directors acknowledges confirmation of:

- Its responsibility for the preparation of the financial statements in accordance with the applicable standards and rules.
- Review of the efficiency and adequacy of internal control systems of the Company and that it compliance with internal rules and regulations
- There are no material matters effects the continuation of the Company and its ability to continue its operation during the next financial year.

For **OMAN FISHERIES CO SAOG**

AUTHORISED SIGNATORY

For **OMAN FISHERIES CO SAOG**

AUTHORISED SIGNATORY

Introduction

The Management of the Oman Fisheries Co. SAOG (OFC) is pleased to present Discussion and Analysis report for the Financial Year 2015-16. Our Management's Discussion and Analysis ("MD&A") is provided to enable a reader to assess our results of operations and financial condition for the fiscal year ended March 31, 20156. This MD&A should be read in conjunction with our 2015-16 annual consolidated financial statements and related notes and is dated March 31, 2016

Oman Fisheries Co. SAOG was formed by Royal Decree no. 87/79 issued by His Majesty Sultan Qaboos bin Said by which Oman National Fisheries was merged with Oman Fisheries Co. Oman Fisheries Co. SAOG started its operation from 2nd April 1989. The paid up capital of the Oman Fisheries Co. SAOG is RO 12,500,000 consisting of 125,000,000 shares of RO 0.100 each. Company has family of more than 15,000 shareholders and Government of Oman is holding 24% stake.

Business Plan, Vision and Mission of the Company:

2015-16 had been the first year of three year strategic plan (2015-16 to 2017-18).

The key strategic pillars to the three year strategic plan were as follows:

- Sustainable profitability
- Controlling costs
- Breakeven point identification
- Targeting business growth.

To achieve success in this field Co. had embarked on strategic changes in the management structure.

Management recognizes the core strength of the Co lies in Marketing and quality.

Accordingly the three year plan lay emphasis marketing and quality while all other areas were outsourced for increasing efficiency.

To achieve the goals, management successfully outsourced most of the operating avenues to SMEs on operating lease basis. This drastically reduced the operating costs by more than 1.6 million (OMR 1,631,192) and also increased the production efficiency due to closer control by the lessees.

Co. on the other hand focused on marketing and quality.

An independent Quality division was created and entrusted to conduct audit of quality on JIT concept and reporting to General Manager's office.

This drastically reduced the quality complaints to less than 1 percent and uplifted the brand image of OFC products.

Co. also created a full-fledged marketing division with Marketing Manager through in house sourcing.

With core focus on marketing, Oman Fisheries Co. (Parent Co.) achieved for the for the first time historic turnover of 34,809 MT on the export front and 4,068 MT on domestic front, breaking all-time records of the Co. in the past.

Al Ameen Co. also achieved record turnover of 1,433 MT for the first time thereby adding OMR 3.348 million turnover as against OMR 0.756 million in 2014-15, a whopping 343 percent growth.

Other significant achievements of 2015-16 were as under:

Reduction in employee costs by OMR 1,325,236 without compromising quality and efficiency.

Reduction in inventory by 58 percent compared to previous year (OMR 2.134 million in 2015-16 compared to OMR 5.137 in 2014-15.

Reduction in overall short term loan holding by 63 percent.(OMR 1.168 million compared to OMR 3.155 million).

Increase in debtors' turnover from 13 percent in 2014-15 to 14 percent in 2015-16.

With the Co. having a glorious turnaround and having a firm foot on success guided by strong strategy and continuous monitoring by the management and the Board, it is hoping to have full scale benefit and higher profitability in the next year.

Internal Control System and their adequacy

OFC has a well-established governance and accountability structure to support departmental assessments and oversight of its system of internal control. The Internal Control management framework forms part of its Operations and Financial Management Framework and includes:

Organizational accountability structures for internal control management to support sound financial management;

Roles and responsibilities of senior managers for internal control management, as well as those of managers;

Values and ethics;

Ongoing communication and training on statutory requirements, as well as policies and procedures for sound financial management and control;

Risk-based management evaluation; and

Regular monitoring of internal control management, as well as the provision of related assessments and action plans of the departmental Head through the Internal Audit Department and Internal Audit Committee.

OFC realise the importance of having in place an adequate system of internal control and the company has in place an Internal Audit Department for conducting Internal Audit. In addition to the Internal Audit Department, a reputed external authority has been appointed to coordinate with Internal Audit Department to conduct internal audit services and provide independent reports on internal control systems followed for managing the operations. Internal Auditor has no major observations with relation to internal control system, misconduct or non compliance on the part of the company.

The operations of the Co. are audited by external ISO agency to ensure that the Co. strictly adheres to HACCP norms.

No major noncompliance is reported on this front too.

Business Highlights and Overview of Financial Performance:

The parent company managed to turnaround by reducing the loss in year 2015 – 2016 with an operating loss of OMR 1,539,346 along with a record turnover of 38,876 tons equivalent to OMR 23.610 million and purchase of 36,029 MT worth of OMR 13.600 million

This has been achieved despite of global slowdown and heavy competition in the export market from unregulated exporters.

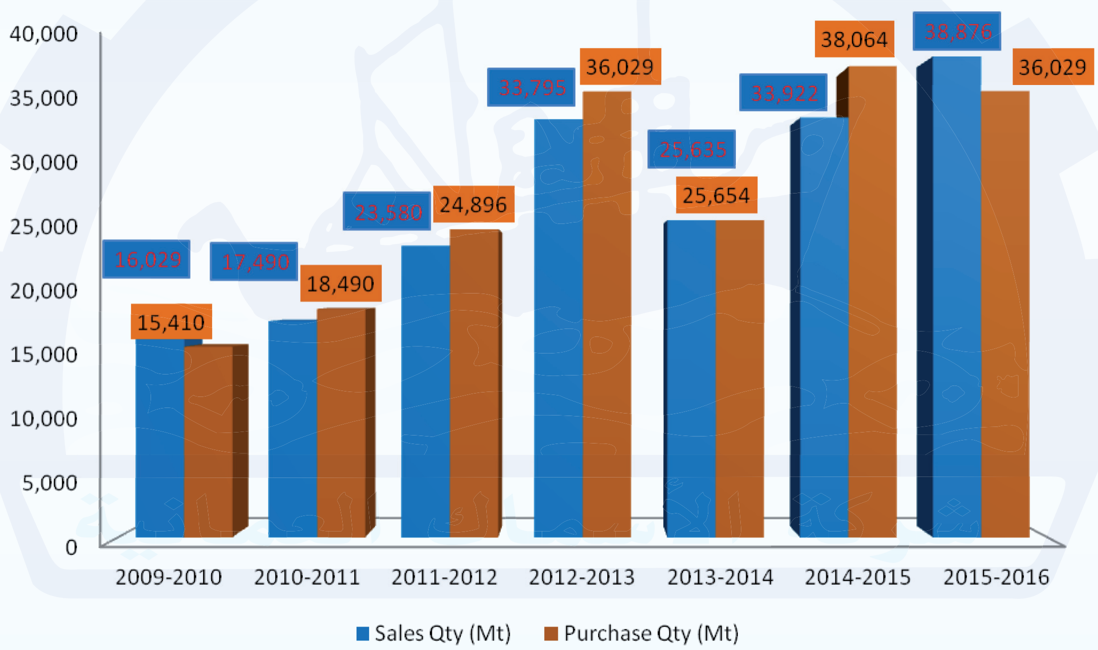
OFC concentrated not only on processed products from its own plants but also embarked on trading activities through other processing plants in Oman and abroad. This venture in itself added 7,019 MT with a gross revenue of OMR 3.322 Million

The operational performance in financial and quantitative terms is shown in the following table and graph respectively:

Particulars	2010 - 2011	2011 - 2012	2012 - 2013	2013-14	2014-15	2015-16
Total Revenue	17,883	26,532	26,273	19,108	23,559	23,665
Operating Profit / (Loss)	520	895	(361)	(1,003)	(2,162)	(1,539)
Net Other Income	449	259	312	201	85	23
Profit before Taxation	969	1,154	(49)	(802)	(2,077)	(1,516)
Taxation	(109)	(126)	34	-	-	(7)
Profit after Taxation	860	1,028	(15)	(818)	(2,077)	(1,523)
Sales Quantity (Mt.)	17,490	23,580	33,795	25,635	33,922	38,508
Purchase Quantity (Mt.)	18,490	24,896	36,029	25,654	38,064	36,029

A. Procurement and Sales Growth (Quantity in tons)

Procurement and sales growth of last seven years are graphically depicted below:



Company's Activities, Sources of Incomes and Future Plans:

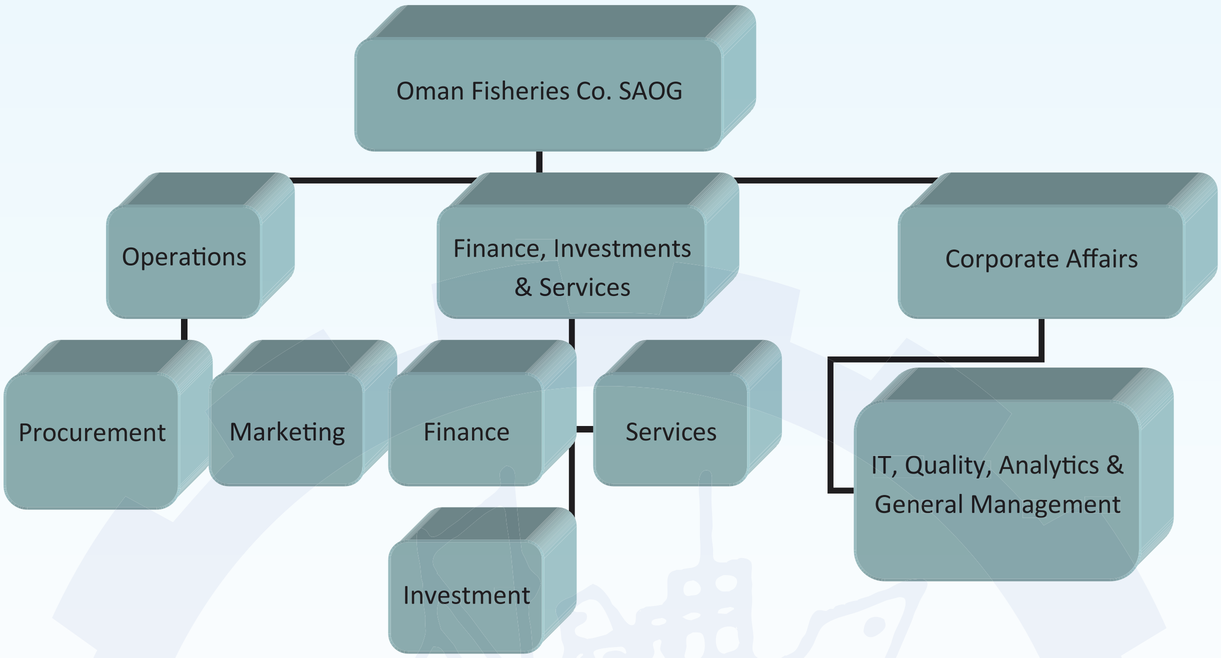
OFC management strongly believes in horizontal expansion along with vertical expansion to boost its revenue and diversify its asset base. As part of this philosophy your company had set up new subsidiary company namely Al Ameen Stores and Refrigeration LLC in 2012-13. This Company is involved in 3rd Party Logistic (3PL) service, trading of edible commodities and storage services. Its Warehouse capacity of 6,000 metric tons of storing frozen and chilled food products like fish, fish products, chicken, meat, vegetables and fruits

It has achieved an net profit after tax of RO. 1.087 Million in its fourth year of operations, principally due to supply of 1,311 MT of frozen lamb meat from New Zealand to MOD and sale of 122 MT of chicken in domestic market

In addition to the trading activities, Al Ameen also contributed OMR 1.040 million revenue from its warehousing (compared to 0.939 million in 2014-15) and OMR 0.200 million revenue from its logistics division (compared to OMR 0.362 million in 2014-15).

Core activities of the company

As per the three year strategy highlight OFC Parent Co. operations were divided into three divisions which is portrayed hereunder:



Operation of OFC under the abovementioned broad divisions have been elaborated below:

Operations

Procurement of Fish and Fish products

This year Oman faced a great challenge in commercial fishing activities for the following reasons:

Invasion of Red algae in the months of October and November in Al Wasta area leading to drop in fish catch by more than 30 percent during the same season previous year.

In addition to the above cuttle fish landing had drastically reduced in Oman due to erratic nature of ocean tide and climatic change. From OFC perspective this has resulted in 43 percent lower catch than previous year (2,428 MT compared to 4,283 MT in 2014-15).This had effected potential revenue shortage of OMR 2.871 million.

There has been significant landing of yellow fin tuna in Oman. However due to delay in uplifting the export ban of this specie the country including OFC could not take opportunity of the heavy landing.

To tackle the short supply OFC opened up a trading division with an object of procuring fish and fish products from SMEs and export/feed the domestic supply .This strategy had following benefits:

SMEs who had earlier no support of external market and were dwindling in operations got boost through OFC back up and support.

OFC ensured consistency in supply to existing customers

OFC network of supply chain increased.

Your Company currently operates 13 boats in the Oman waters. In line with OFC strategy the boats have been currently operated by SMEs.This ensured training of SMEs in this field as well as ensuring steady supply of fish at the landing centers along with steady revenue generation.

Procurement	Qty in MT	Value	Growth in Quantity	Growth in Value	Against
Actual	36,029	13,600	-5%	-25%	Actual 2014-2015
Budgeted	38,627	20,665	-7%	-13%	Budget 2015-2016
3 Year Strategic Plan	38,744	20,947	-7%	-35%	3 Year strategic Plan 2015-2016
Actual 2014-15	38,064	18,022			

Marketing:

OFC recognizes marketing as the key strength of the organization. Hence primary focus in the strategy has been emphasized in marketing. Marketing department was thoroughly revamped and Marketing Managers were appointed for Export and domestic division through in house talent promotion.

Further a separate Trading division was created to market processed fish from domestic or abroad.

Export

Following are the key figures of export division

	Qty in MT	Value	Growth in Quantity	Growth in Value	Against
Actual-	38,876	22,610	33%	23%	Actual 2014-15
Budgeted	38,627	30,560	1%	-27%	Budget 2015-16
Strategic Plan 15-16	38,744	38,627	0%	-42%	Strategic Plan 2015-16
Actual 2014-15	25,631	18,836			

Your company exceeded the sales target set by the budget and also achieved highest sale in the history of OFC. The sales quantity showed a growth of 33% from 25,631 MT (2014).However Sales value was not realized owing to international price competition and shortage in supply of high margin species. In the coming years the Co. hopes to achieve more volumes, and with the quality stringency as part of the business plan this year, your company should positively continue its run of continuous growth.

Local Sales:

The company is continuing its efforts to support to the Government's initiatives of food security achievement in Oman. Last year during the off-season we have stocked around 2000 tons of fish for local sales and our prices were controlled at reasonable levels during this period. Total sale for the last financial year is 4,068 MT.

As per the indication from the Government to facilitate availability of fish in Oman, OFC is in the process of setting up a strategic plan for the local market which is with the knowledge of the board. We are aiming to increase local sales multifold at a CAGR of more than 50% for the next two years.

Trading:

Trading division primarily concentrated in procuring processed fish from SMEs' in Oman and abroad.

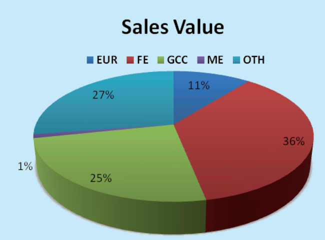
Major 7 Species Exported by the Company during last financial year

Specie	Quantity	Net Value	Percentage to total Value
SL	22,460,334	4,908,406	27%
SHK	2,800,593	4,156,692	23%
SH	1,984,885	609,547	3%
KH	835,103	853,404	5%
CRB	818,104	1,230,592	7%
W	916,115	1,162,497	6%
CT	584,723	220,872	1%

Summary of sales -region wise

Following is graphical depiction of region wise sales achieved from the combined efforts of Export, domestic and trading division:

REGION	Value (RO ‹000›)	in terms of %
Europe	2,396	11%
Far East	8,109	36%
GCC	5,559	25%
Middle East	209	1%
Others	6,138	27%
Total	23,411	100%



Branding of Products:

International Brand Image and Brand of choice in Oman is one of the Focal strategies of the company. In order to achieve this strategy, the company had initiated many corporate Brand image building activities. The product packaging had been redesigned for the products. From last year onwards Company had promoted its brand through selling of company's products in new packaging, through advertisement in hypermarkets, in local news papers, bill boards etc. We believe there is a good scope for the company to be benefited and to be built on this.

Finance & Investment Division

As a part of the three year strategy Finance and Investment division was created. Core objectives of this division are as under:

Divesting the Current investment to operational and investment ventures.

Investigating the opportunities for long term investment and conducting the pre- feasibility study on different long term investment options

Increasing the core efficiency of Finance Division

Ensuring optimum rate of return on Assets of the Co.

Managing the auxiliary divisions which facilitate function of the company.Auxilliary divisions are mainly Human Resources, Maintenance, Non-fish procurement and asset.

Investment division seeks to increase overall efficiency of the asset base both fixed and current in order to generate effective rate of return on investment.

Corporate Social Responsibility

Being one of the largest processor and trader in seafood in GCC we ensure our sources are sustainable. We provide an expert service and quality disclosures to ensure our customers are impressed by the quality of our seafood and reassured that it is responsibly produced.

We ensure our suppliers comply with the certification standards demanded by the EU and encourage all the stakeholders to value these certificates.

OFC adopts strong culture of sourcing the fish from the base fishermen thereby encouraging the sustainable fishing activities.

OFC proclaims that products sold under our brands meet high quality standards. Our quality Controllers are present for round –the clock inspection at our plants and also conduct regular inspection at the suppliers' factories, vessels and farms. Our systems ensure traceability of product back from our factories to the plant, supplier or the boats that supplied the fish.

Training & Development

OFC believes in continuous and proactive training and development of its staff through its Human Resource Department.

As part Business Plan implementation priorities, we focused on improving the quality of the Individual development plans and imparting departmental training to nurture skills, knowledge required to achieve objectives effectively and efficiently.

The Management had realigned its strategy to ensure continuity going forward. Management had taken various steps to meet the challenges of skill up-gradation, capability building programs, leadership development programs and reward system. Management had set Key Performance Indicators (KPIs) for each department and on achievement of KPIs employees of that department will be rewarded suitably.

As part of CSR initiatives, the company has sponsored the higher education to key Omani talents thereby harnessing their potential to become future leaders in this sector.

Risks:

Procurement of the company depends largely on wild catch which is by nature prone to the influence of various parameters like landing patterns, fish migration pattern, etc.

Due to the increased competition and more lucrative jobs offered by other sectors the company is facing difficulty in getting required number of Omani nationals for fishing and fish processing jobs.

Future Plans:

Our operations and growth is encased in new three year strategic plan (2015-16 to 2017-18) with following four paramters:

- Sustainable profitability
- Controlling costs
- Breakeven point identification
- Targeting business growth.

In the New strategic business plan, 2015/2018, Company plans to focus solely on Procurement, Marketing and quality control, while lease out processing.

Other future projects in the pipeline are:

Setting up phase II project of Al Ameen through construction of additional cold store facility of 2800 MT.

Venturing into carton packaging project by partnering with a renowned packaging group in Sri Lanka.

Encouraging SMEs' in setting up franchise fish shops all over Oman with financial and technical assistance of OFC.

Business Plan to activate the role of OFC local sales and be able to contribute towards Food Security initiatives of the nation and aiming to achieve the following key objectives:

Making Freshfish available to consumers especially in the cities with high populations.

Maintaining superior and consistent Quality with Better price

Introduction of new fish shops across the country

Creating job opportunities for the nationals

Promoting corporate image Building the Brand of OFC's taQa as the "Brand of Choice in Oman".

Acknowledgement

On behalf of the Management, I thank the Chairman and board of Directors for their continued guidance and direction in managing the Company as a successful organization.

Our sincere appreciation and thanks to the officials in the Ministry of Agricultural and Fisheries Wealth, The Ministry of Finance, Oman Chamber of Commerce and Industry and all other Governmental bodies who supported us to achieve the what we had achieved.

Our heart felt thanks and appreciation to all our valued customers and suppliers for whole heartedly supporting the company and extending their co-operation.

Finally, I have the honor as well as my colleagues, the directors, to extend our thanks and gratitude to His Majesty Sultan Qaboos Bin Said for his wise leadership and his pertinent direction with regard to the establishment and development of This Organization in a way that serves to achieve Omani renaissance in food sector.

Said Rashid Al Rawahi
General Manager

Deloitte.

Deloitte & Touche (M.E.) & Co. LLC
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Sultanate of Oman

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Independent auditor's report to the shareholders of Oman Fisheries Co. SAOG and its subsidiaries

Report on the financial statements

We have audited the accompanying financial statements of **Oman Fisheries Co. SAOG** ("the Parent company") and the consolidated financial statements of **Oman Fisheries Co. SAOG and its subsidiaries** ("the Group"), which comprise of the Parent company's and consolidated statement of financial position as at 31 March 2016 and the Parent company's and consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information as set out on pages 3 to 43.

Board of Directors' responsibility for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of the Parent company's and consolidated financial statements in accordance with International Financial Reporting Standards and the relevant disclosure requirements of the Commercial Companies Law of 1974, as amended and the disclosure requirements issued by the Capital Market Authority and for such internal control as the Board of Directors determines is necessary to enable the preparation of the Parent company's and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the Parent company's and consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Parent company's and consolidated financial statements are free from material misstatement.

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

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

Deloitte.

Independent auditor's report to the shareholders of Oman Fisheries Co. SAOG and its subsidiaries (continued)

Opinion

In our opinion, the Parent Company's and consolidated financial statements, present fairly, in all material respects, the financial position of the Parent Company and the Group, as of 31 December 2015, and its financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards

Report on other legal and regulatory requirements

Also in our opinion, the Parent company's and consolidated financial statements comply, in all material respects, with the relevant disclosure requirement of the Commercial Companies Law of 1974, as amended and the disclosure requirements issued by the Capital Market Authority.

Emphasis of matter

Without qualifying our opinion, we draw attention to the fact that the State Auditor Institution had submitted their audit report and findings to the Parent Company in January 2016 on certain financial and administrative transactions for the financial years 2012-2013 and 2013-2014. The findings relate to a possible related party not disclosed in the Company's financial statements and certain discrepancies in the procurement process of the Company for the prior years. The Board of Directors of the Company has formed an Investigation Committee, the mandate of which is to follow up on the findings of the State Auditor and respond to them after considering all possible courses of action. In this regard the Investigation Committee hired an independent consultant to expand on the State Audit Institution's findings and determine the related cause and effect, and further directed the internal auditor of the Company to review and verify the entire financial and administrative transactions made during the years mentioned above and determine the deficiencies and recommend on amounts that the Company shall claim from others, if any. As of date the investigation is still ongoing.

Deloitte & Touche

Deloitte & Touche (M.E.) & Co. LLC
Muscat, Sultanate of Oman
13 June 2016

P.O Box 258, P.C 112
Sultanate of Oman
Deloitte & Touche (M.E.) & Co. LLC

Signed by
Mark David Dunn
Partner

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2016

		Parent company		Group	
		2016	2015	**2016**	2015
	Notes	**RO**	RO	**RO**	RO
ASSETS					
Non-current assets					
Property, plant and equipment	6	**5,694,200**	6,468,149	**7,961,345**	8,951,362
Investment in subsidiaries	7	**515,750**	515,750	**-**	-
Held-to-maturity financial assets	8	**965,261**	966,640	**965,261**	966,640
Deferred tax asset	30	**13,358**	13,358	**13,358**	13,358
Total non-current assets		**7,188,569**	7,963,897	**8,939,964**	9,931,360
Current assets					
Inventories	9	**1,504,722**	4,933,607	**2,134,087**	5,136,627
Trade and other receivables	10	**5,026,770**	4,317,070	**4,604,995**	3,898,511
Financial assets at fair value through profit or loss	11	**310,776**	316,874	**310,776**	316,874
Cash and cash equivalents	12	**1,291,974**	681,509	**1,371,960**	734,360
Total current assets		**8,134,242**	10,249,060	**8,421,818**	10,086,372
Total assets		**15,322,811**	18,212,957	**17,361,782**	20,017,732
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	13	**12,500,000**	12,500,000	**12,500,000**	12,500,000
Legal reserve	14	**3,196,760**	3,196,760	**3,246,788**	3,246,788
Capital reserve	15	**29,269**	29,269	**29,269**	29,269
Accumulated losses		**(4,297,868)**	(2,771,697)	**(2,874,686)**	(2,428,474)
Total equity		**11,428,161**	12,954,332	**12,901,371**	13,347,583
LIABILITIES					
Non-current liabilities					
Term loan	16	**-**	-	**1,199,984**	1,399,988
Deferred tax liability	30	**-**	-	**73,133**	70,275
End of service benefits	17	**140,178**	152,321	**144,980**	157,566
Total non-current liabilities		**140,178**	152,321	**1,418,097**	1,627,829
Current liabilities					
Current portion of term loan	16	**-**	-	**200,004**	200,004
Short term loans	18	**1,168,158**	3,155,085	**1,168,158**	3,155,085
Trade and other payables	19	**1,487,477**	1,611,874	**1,538,322**	1,687,231
Provision for taxation	30	**-**	-	**135,830**	-
Due to related parties	21	**1,098,837**	339,345	**-**	-
Total current liabilities		**3,754,472**	5,106,304	**3,042,314**	5,042,320
Total liabilities		**3,894,650**	5,258,625	**4,460,111**	6,670,149
Total equity and liabilities		**15,322,811**	18,212,957	**17,361,782**	20,017,732
Net assets per share	20	**0.091**	0.104	**0.103**	0.107

Mohammed Bin Hamad Al Masrouri
Chairman

Abdul Amir Bin Said Bin Mohammed
Director

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2016

		Parent company		Group	
		2016	2015	**2016**	2015
	Notes	**RO**	RO	**RO**	RO
Sales	22	**22,610,353**	23,134,819	**25,856,722**	23,894,972
Other operating income	23	**1,054,744**	424,638	**1,447,410**	646,700
Total operating income		**23,665,097**	23,559,457	**27,304,132**	24,541,672
Cost of goods sold	24	**(19,728,775)**	(18,682,321)	**(21,240,795)**	(18,590,891)
Staff costs	25	**(1,392,819)**	(2,698,079)	**(1,600,498)**	(2,925,734)
Other operating expenses	26	**(3,288,056)**	(3,763,213)	**(3,667,003)**	(3,969,660)
Depreciation on property, plant and equipment	6	**(842,583)**	(574,291)	**(1,118,788)**	(845,901)
Gain / (loss) on disposal of property, plant and equipment		**44,490**	(3,834)	**44,490**	16,480
Operating loss		**(1,542,646)**	(2,162,281)	**(278,462)**	(1,774,034)
Investment income – net	27	**10,025**	45,625	**10,025**	45,625
Foreign exchange gains – net		**-**	(32)	**-**	(32)
Finance income	28	**76,834**	79,125	**76,834**	79,125
Finance costs	28	**(62,990)**	(39,818)	**(108,527)**	(91,101)
Loss before taxation		**(1,518,777)**	(2,077,381)	**(300,130)**	(1,740,417)
Taxation	30	**(7,394)**	-	**(146,082)**	(13,297)
Loss and total comprehensive loss for the year		**(1,526,171)**	(2,077,381)	**(446,212)**	(1,753,714)
Loss per share – basic and diluted	29	**(0.012)**	(0.017)	**(0.0036)**	(0.014)

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2016

Parent company

	Share capital	Legal reserve	Capital reserve	Accumulated losses	Total
	RO	RO	RO	RO	RO
At 1 April 2014	12,500,000	3,196,760	29,269	(694,316)	15,031,713
Loss and total comprehensive loss for the year	-	-	-	(2,077,381)	(2,077,381)
At 1 April 2015	12,500,000	3,196,760	29,269	(2,771,697)	12,954,332
Loss and total comprehensive loss for the year	-	-	-	(1,526,171)	(1,526,171)
At 31 March 2016	12,500,000	3,196,760	29,269	(4,297,868)	11,428,161

Group

	Share capital	Legal reserve	Capital reserve	Accumulated losses	Total
At 1 April 2014	12,500,000	3,213,283	29,269	(641,255)	15,101,297
Loss and total comprehensive loss for the year	-	-	-	(1,753,714)	(1,753,714)
Transfer to legal reserve	-	33,505	-	(33,505)	-
At 1 April 2015	**12,500,000**	**3,246,788**	**29,269**	**(2,428,474)**	**13,347,583**
Loss and total comprehensive loss for the year	**-**	**-**	**-**	**(446,212)**	**(446,212)**
Transfer to legal reserve	**-**	**-**	**-**	**-**	**-**
At 31 March 2016	**12,500,000**	**3,246,788**	**29,269**	**(2,874,686)**	**12,901,371**

The accompanying notes form an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2016

	Parent company		Group	
	2016	2015	**2016**	2015
	RO	RO	**RO**	RO
Operating activities				
Loss before taxation	**(1,518,777)**	(2,077,381)	**(300,130)**	(1,740,417)
Adjustment for:				
Depreciation on property, plant and equipment	**842,583**	574,291	**1,118,787**	845,901
Write off of property, plant and equipment	**360,820**	-	**360,820**	
Interest income	**(76,834)**	(79,125)	**(76,834)**	(79,125)
Dividend income	**(15,003)**	(17,041)	**(15,003)**	(17,041)
Gain on sale of financial assets at fair value through profit or loss	**3,224**	(25)	**3,224**	(25)
Loss / (gain) on disposal of property, plant and equipment	**(44,490)**	3,834	**(44,490)**	(16,480)
Allowance for doubtful debts	**126,564**	38,000	**134,888**	38,000
Allowance for slow moving and obsolete maintenance spares	**23,154**	112,147	**23,154**	112,147
Interest expense	**62,990**	39,818	**108,527**	91,101
Fair value gain on financial assets at fair value through profit or loss	**1,754**	(28,559)	**1,754**	(28,559)
Amortisation of premium	**1,379**	1,378	**1,379**	1,378
Allowance for end of service benefits	**26,129**	23,175	**28,354**	26,170
Operating deficit / (surplus) before working capital changes	**(206,507)**	(1,409,488)	**1,344,430**	(766,950)
Working capital changes:				
Inventories	**3,405,731**	(2,320,382)	**2,979,386**	(2,424,413)
Trade and other receivables	**(836,264)**	(1,321,595)	**(841,372)**	(1,086,145)
Due to related parties	**759,492**	339,345	**-**	-
Trade and other payables	**(124,396)**	406,529	**(148,909)**	433,803
Cash generated from / (used in) operations	**2,998,056**	(4,305,591)	**3,333,535**	(3,843,705)
End of service benefits paid	**(38,272)**	(33,472)	**(40,940)**	(37,163)
Tax paid	**(7,394)**	-	**(7,394)**	-
Net cash from / (used in) operating activities	**2,952,390**	(4,339,063)	**3,285,201**	(3,880,868)
Investing activities				
Purchase of property, plant and equipment	**(447,766)**	(1,489,337)	**(507,902)**	(1,853,352)
Proceeds from sale of property, plant and equipment	**62,802**	306,161	**62,802**	360,374
Proceeds from sale of financial assets at fair value through profit or loss	**1,119**	1,230	**1,120**	1,230
Dividend income received	**15,003**	17,041	**15,003**	17,041
Interest income received	**76,834**	79,125	**76,834**	79,125
Fixed deposits encashed	**-**	1,250,000	**-**	1,250,000
Net cash (used in) / from investing activities	**(292,008)**	164,220	**(352,143)**	(145,582)
Financing activities				
Long term loan paid	**-**	-	**(200,004)**	(200,004)
Short term loan (paid) / received	**(1,986,927)**	3,155,085	**(1,986,927)**	3,155,085
Interest paid	**(62,990)**	(39,818)	**(108,527)**	(91,101)
Net cash (used in) / from financing activities	**(2,049,917)**	3,115,267	**(2,295,458)**	2,863,980
Net change in cash and cash equivalents	**610,465**	(1,059,576)	**637,600**	(1,162,470)
Cash and cash equivalents at beginning of year	**681,509**	1,741,085	**734,360**	1,896,830
Cash and cash equivalents at end of year (Note 12)	**1,291,974**	681,509	**1,371,960**	734,360

The accompanying notes form an integral part of these consolidated financial statements

1. General

Oman Fisheries Co. SAOG ('the Company' or 'the Parent company') is an Omani Joint Stock Company registered under the Commercial Companies Law of Oman. The principal activities of the Company are the procurement, processing and sale of fresh, frozen and coated fish, fishing and the sale of fishing rights.

On 27 August 2005, the Company incorporated a subsidiary in UAE, Oman Fisheries Co. FZE with an initial registered share capital of RO 15,750. Oman Fisheries Co. FZE registered in United Arab Emirates as a free zone company, is a wholly owned subsidiary of the Company. The subsidiary company started its operations on 1 February 2006 and is engaged in the business of distribution of the products of the Parent company.

On 19 September 2011, the Company incorporated a subsidiary in Oman, Al Ameen Stores and Refrigeration LLC, with an initial registered share capital of RO 500,000. The Parent company holds 99% of the share capital of the subsidiary and through a director, Mr. Saleh bin Nasser bin Juma al Araimi, holds the remaining 1%. Thus, effectively Al Ameen Stores and Refrigeration LLC is a wholly owned subsidiary of the Parent company. The subsidiary is registered under the Commercial Companies Law of the Sultanate of Oman and is mainly involved in the business of storage and wholesale of fish, meat, chicken, vegetables, and fruits.

2. Basis of preparation

The Parent company's and the Group's financial statements have been prepared on the historical cost basis except for financial assets at fair value through profit or loss that have been measured at fair value and held-to-maturity financial assets that are measured to amortized cost.

Statement of compliance

These Parent company's and the Group's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as promulgated by the International Accounting Standards Board (IASB) and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) of the IASB. The Parent company's and the Group's financial statements comply with the relevant disclosure requirements of the Commercial Companies Law of 1974, as amended and the disclosure requirements issued by the Capital Market Authority.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Parent company and entities controlled by the Parent company. Control is achieved where the Parent company has power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Subsidiaries are all entities (including special purpose entities) over which the Group exercises control. Control is achieved when the Parent company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect the investee's returns.

The Company reassesses 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 listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

2. Basis of preparation (continued)

Consolidation of a subsidiary begins when the Parent company obtains control over the subsidiary and ceases when the Parent company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated profit or loss from the date the Parent company gains control until the date when the Parent company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Parent company and to the non-controlling interests. Total comprehensive income of subsidiary is attributed to the owners of the Parent company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill.

In accordance with the transitional provisions of IFRS 10 Consolidated Financial Statements (2011), for first time application, the Directors reassessed the control conclusion for its subsidiary at 1 April 2013 and concluded that there is no change in control over subsidiary as per the new control model described in IFRS 10.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Losses are attributed to the non-controlling interest even if that results in a deficit balance.

If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- 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

The consolidated financial statements incorporate the following subsidiary companies in which the Group has a controlling interest:

Company name	Country of incorporation	Year end	Percentage held		Principal activities
			2016	2015	
Oman Fisheries Co. FZE	UAE	31 March	100%	100%	Procurement and sale of fish and fish products
Al Ameen Stores and Refrigeration LLC	Sultanate of Oman	31 March	100%	100%	Storing of fish, meat, chicken, vegetables and fruits.

3. Adoption of new and revised International Financial Reporting Standards (IFRS)

3.1 New and revised IFRSs applied with no material effect on the financial statements

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 April 2015, have been adopted in these financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

- Annual Improvements to IFRSs 2010 - 2012 Cycle that includes amendments to IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38.
- Annual Improvements to IFRSs 2011 - 2013 Cycle that includes amendments to IFRS 1, IFRS 3, IFRS 13 and IAS 40.
- Amendments to IAS 19 Employee Benefits to clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service.

3.2 New and revised IFRS in issue but not yet effective

The Group has not yet applied the following new and revised IFRSs that have been issued but are not yet effective:

New and revised IFRSs	Effective for annual periods beginning on or after
IFRS 14 Regulatory Deferral Accounts	1 January 2016
Amendments to IAS 1 Presentation of Financial Statements relating to Disclosure initiative	1 January 2016
Amendments to IFRS 11 Joint arrangements relating to accounting for acquisitions of interests in joint operations	1 January 2016
Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets relating to clarification of acceptable methods of depreciation and amortisation	1 January 2016
Amendments to IAS 16 Property, Plant and Equipment and IAS 41 Agriculture relating to bearer plants	1 January 2016
Amendments to IAS 27 Separate Financial Statements relating to accounting investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements	1 January 2016
Amendments to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investment in Associates and Joint Ventures relating to applying the consolidation exception for investment entities	1 January 2016
Annual Improvements to IFRSs 2012 - 2014 Cycle covering amendments to IFRS 5, IFRS 7, IAS 19 and IAS 34	1 January 2016

3. Adoption of new and revised International Financial Reporting Standards (IFRS) (continued)

IFRS 9 Financial Instruments (revised versions in 2009, 2010, 2013 and 2014)	1 January 2018

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

A finalised version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 Financial Instruments: Recognition and Measurement. The standard contains requirements in the following areas:

Classification and measurement: Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk.

Impairment: The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognised

Hedge accounting: Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.

Derecognition: The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.

Amendments to IFRS 7 Financial Instruments: Disclosures relating to disclosures about the initial application of IFRS 9	When IFRS 9 is first applied
IFRS 7 Financial Instruments: Disclosures relating to the additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9	When IFRS 9 is first applied

3. Adoption of new and revised International Financial Reporting Standards (IFRS) (continued)

IFRS 15 Revenue from Contracts with Customers	1 January 2018
In May 2014, IFRS 15 was issued which established a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related interpretations when it becomes effective.	
The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:	
Step 1: Identify the contract(s) with a customer.	
Step 2: Identify the performance obligations in the contract.	
Step 3: Determine the transaction price.	
Step 4: Allocate the transaction price to the performance obligations in the contract.	
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.	
Under IFRS 15, an entity recognises when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.	
IFRS 16 Leases	1 January 2019
IFRS 16 specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.	
Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011) relating to the treatment of the sale or contribution of assets from and investor to its associate or joint venture	Effective date deferred indefinitely

Management anticipates that these new and revised standards, interpretations and amendments will be adopted in the Group's financial statements for the year beginning 1 January 2016 or as and when they are applicable and adoption of these new standards, interpretations and amendments, except for IFRS 9 and IFRS 15, may have no material impact on the financial statements of the Group in the period of initial application.

Management anticipates that IFRS 15 and IFRS 9 will be adopted in the Group's financial statements for the annual year beginning 1 April 2018. The application of IFRS 15 and IFRS 9 may have significant impact on amounts reported and disclosures made in the Group's financial statements in respect of revenue from contracts with customers and the Group's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of effects of the application of these standards until the Group performs a detailed review.

4. Summary of significant accounting policies

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. The cost of property, plant and equipment is their purchase price together with any incidental expenses that are directly attributable to the acquisition of the item. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss during the financial year in which they are incurred.

The cost of property, plant and equipment is written down to residual value in equal installments over the estimated useful lives of the assets. The estimated useful lives are:

	Years
Buildings and cabins	10 - 25
Plant and equipment	3 - 10
Boats and trawlers	5 - 15
Motor vehicles	3 - 5
Furniture, fixtures and office equipment	3 - 10

Capital work-in-progress is not depreciated until it is transferred into one of the above categories at the time when it is ready for use.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. 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 operating profit.

Investments in subsidiaries

A subsidiary is a company in which the Parent company owns more than one half of the voting power or exercises control. In the Parent company's separate financial statements, the investment in the subsidiary is carried at cost less impairment.

Financial assets

The Group classifies its financial assets in the following categories: at fair value through profit or loss, held-to-maturity and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets at fair value through profit or loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management.

Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the profit or loss. Financial assets at fair value through profit or loss are subsequently carried at fair value.

4. Summary of significant accounting policies (continued)

The fair values of quoted investments are based on current market bid prices. Gains or losses arising from changes in the fair value are presented in the profit or loss in the period in which they arise.

Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred subsequently all risks and rewards of ownership.

All purchases and sales of investments are recognised on the trade date, which is the date that the Group commits to purchase or sell the asset.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intent and ability to hold to maturity.

Held-to-maturity investments are initially recognised at cost and subsequently re-measured at amortised cost using the effective interest rate method less any allowance for impairment.

Interest receivable from held-to-maturity is accounted for on the accruals basis.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the reporting date. These are classified as non-current assets. The Group's loans and receivables comprise fixed deposits, due from related parties and trade and other receivables in the statement of financial position.

Trade and other receivables

Trade and other receivables are initially recognised at their fair value and subsequently stated at amortised cost using effective interest rate method, less allowance for impairment. A allowance for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of any allowance is recognised in the profit or loss within 'other operating expenses'. Subsequent recoveries of amounts previously written off are credited against 'other operating expenses' in the profit or loss.

Cash and cash equivalents

For the purpose of statement of cash flows, the Group considers all bank balances, including short term deposits with a maturity of three months or less from the date of placement, to be cash equivalents.

Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on the weighted average cost method. The cost of inventories comprises of direct cost of materials and related expenses. Net realisable value is the price at which inventories can be sold in the normal course of business after allowing for the costs of realisation. An allowance is made where necessary for obsolete, slow moving and defective items.

End of service benefits and leave allowance

End of service benefits are accrued in accordance with the terms of employment of the Group's employees at the reporting date, having regard to the requirements of the Oman Labour Law 2003 as amended and UAE 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 as a result of services rendered by employees up to the reporting date.

4. Summary of significant accounting policies (continued)

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 profit or loss as incurred.

Trade and other payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

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

Borrowings

Borrowings are recognised initially at fair value, 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 profit or loss over the period of the borrowings using the effective interest method.

Provisions

A provision is recognised when the Group 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 pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Revenue recognition

Revenue from the sale of goods is stated at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

Sales represent the invoiced value of fish supplied by the Group during the year. Sale of fishing rights is recognised on an accrual basis.

Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in 'Rial Omani', which is the Parent company's functional and the Group's presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. 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 profit or loss.

The accounting records of the subsidiary, Oman Fisheries Co. FZE are maintained in UAE Dirhams (AED). The Rial Omani amounts included in the consolidated financial statements have been translated at an exchange rate of 0.105 Omani Rial to each AED for the profit or loss and the statement of financial position items, as the AED to RO exchange rate has effectively remained fixed during the year, both currencies being pegged to the US Dollar.

4. Summary of significant accounting policies (continued)

Finance costs and income

Finance cost comprises of interest payable on loans and finance income comprises of interest income from deposits and held-to-maturity financial assets. Finance income and cost are accounted on accrual basis using the effective interest rate method.

Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are included in 'other operating expense' in the profit or loss on a straight-line basis over the period of the lease.

Earnings per share

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Parent company / Group by the weighted average number of ordinary shares outstanding during the period.

Directors' remuneration

The Directors' remuneration is governed as set out by the Commercial Companies Law and the rules prescribed by the Capital Market Authority. The Annual General Meeting shall approve the remuneration and the sitting fees for the Board of Directors and its sub-committees provided that such fees shall not exceed a minimum of 5% of the annual net profit after deduction of the legal reserve and the optional reserve as distribution of dividends to the shareholders. Such fees shall not exceed RO 200,000 in one year. The sitting fees for each Director shall not exceed RO 10,000 in one year.

Dividend distribution

Dividend distribution to the Group's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Group's shareholders.

Taxation

Current tax is recognised in the profit or loss as the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred income tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred tax. Deferred income tax assets and liabilities are offset as there is a legally enforceable right to offset these in Oman.

The principal temporary differences arise from depreciation on property, plant and equipment, allowance for doubtful debts and allowance for slow moving inventories.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised and is subsequently reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, make strategic decisions and has been identified as the Board of Directors.

5. Critical accounting estimates and judgements

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

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Useful lives of property, plant and equipment

Depreciation is charged so as to write off 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.

Allowance for doubtful debts

Allowance for doubtful debts is based on management's assessment of various factors such as the Group's past experience of collecting receivables from the customers and the age of debts.

Allowance for slow moving inventories

Allowance for slow moving inventories is based on management's assessment of various factors such as the usability, maintenance programs, and normal wear and tear using best estimates.

6. Property, plant and equipment

Parent company	Land, buildings and cabins	Plant and equipment	Boats and trawlers	Motor vehicles	Furniture, fixture and office equipment	Capital work-in-progress	Total
	RO	RO	RO	RO	RO	RO	RO
Cost							
At 1 April 2014	2,131,360	2,647,174	1,117,280	786,247	479,514	2,925,460	10,087,035
Additions	633,657	487,667	7,680	179,635	41,148	139,550	1,489,337
Transfers	1,094,992	816,834	107,382	-	-	(2,019,208)	-
Disposals	-	-	(56,556)	(339,146)	-	-	(395,702)
At 1 April 2015	**3,860,009**	**3,951,675**	**1,175,786**	**626,736**	**520,662**	**1,045,802**	**11,180,670**
Additions	**104,405**	**291,493**	**-**	**5,850**	**2,897**	**43,121**	**447,766**
Transfers	**163,331**	**523,904**	**-**	**-**	**8,976**	**(696,211)**	**-**
Write off	**-**	**-**	**-**	**-**	**-**	**(360,820)**	**(360,820)**
Disposals	**-**	**(2,228)**	**-**	**(83,526)**	**(2,208)**	**-**	**(87,962)**
At 31 March 2016	**4,127,745**	**4,764,844**	**1,175,786**	**549,060**	**530,327**	**31,892**	**11,179,654**

6. Property, plant and equipment (continued)

Parent company	Land, buildings and cabins	Plant and equipment	Boats and trawlers	Motor vehicles	Furniture, fixture and office equipment	Capital work-in-progress	Total
	RO	RO	RO	RO	RO	RO	RO
Depreciation							
At 1 April 2014	1,509,939	1,919,966	216,729	297,271	280,031	-	4,223,936
Charge for the year	106,254	177,770	140,026	81,569	68,672	-	574,291
Disposals	-	-	(22,623)	(63,083)	-	-	(85,706)
At 1 April 2015	**1,616,193**	**2,097,736**	**334,132**	**315,757**	**348,703**	**-**	**4,712,521**
Charge for the year	**191,831**	**359,670**	**134,361**	**89,500**	**67,221**	**-**	**842,583**
Disposals	**-**	**(2,537)**	**-**	**(64,895)**	**(2,218)**	**-**	**(69,650)**
At 31 March 2016	**1,808,024**	**2,454,869**	**468,493**	**340,362**	**413,706**	**-**	**5,485,454**
Carrying value							
At 31 March 2016	**2,319,721**	**2,309,975**	**707,293**	**208,698**	**116,621**	**31,892**	**5,694,200**
At 31 March 2015	**2,243,816**	**1,853,939**	**841,654**	**310,979**	**171,959**	**1,045,802**	**6,468,149**

The Group has written off some amounts from capital work in progress during the year which are no longer usable and no future economic benefit is expected from these assets.

Group company	Land, buildings and cabins	Plant and equipment	Boats and trawlers	Motor vehicles	Furniture, fixture and office equipment	Capital work-in-progress	Total
	RO	RO	RO	RO	RO	RO	RO
Cost							
At 1 April 2014	3,535,493	3,784,177	1,117,280	999,898	506,566	2,928,510	12,871,924
Additions	657,533	526,435	7,680	457,468	60,534	143,702	1,853,352
Transfers	1,094,992	816,834	107,382	-	-	(2,019,208)	-
Disposals	-	-	(56,556)	(389,981)	-	-	(446,537)
At 1 April 2015	**5,288,018**	**5,127,446**	**1,175,786**	**1,067,385**	**567,100**	**1,053,004**	**14,278,739**
Additions	**122,905**	**325,763**	**-**	**5,850**	**7,864**	**45,520**	**507,902**
Transfers	**163,331**	**523,904**	**-**	**-**	**8,976**	**(696,211)**	**-**
Write off	**-**	**-**	**-**	**-**	**-**	**(360,820)**	**(360,820)**
Disposals	**-**	**(2,228)**	**-**	**(83,526)**	**(2,208)**	**-**	**(87,962)**
At 31 March 2016	**5,574,254**	**5,974,885**	**1,175,786**	**989,709**	**581,732**	**41,493**	**14,337,859**

6. Property, plant and equipment (continued)

Group company	Land, buildings and cabins	Plant and equipment	Boats and trawlers	Motor vehicles	Furniture, fixture and office equipment	Capital work-in-progress	Total
	RO	RO	RO	RO	RO	RO	RO
Depreciation							
At 1 April 2014	1,653,168	2,105,278	216,729	322,623	286,321	-	4,584,119
Charge for the year	179,730	274,596	140,026	176,025	75,524	-	845,901
Disposals	-	-	(22,623)	(80,020)	-	-	(102,643)
At 1 April 2015	**1,832,898**	**2,379,874**	**334,132**	**418,628**	**361,845**	**-**	**5,327,377**
Charge for the year	**267,421**	**460,329**	**134,361**	**177,871**	**78,805**	**-**	**1,118,787**
Disposals	**-**	**(2,537)**	**-**	**(64,895)**	**(2,218)**	**-**	**(69,650)**
At 31 March 2016	**2,100,319**	**2,837,666**	**468,493**	**531,604**	**438,432**	**-**	**6,376,514**
Carrying value							
At 31 March 2016	**3,473,935**	**3,137,219**	**707,293**	**458,105**	**143,300**	**41,493**	**7,961,345**
At 31 March 2015	**3,455,120**	**2,747,572**	**841,654**	**648,757**	**205,255**	**1,053,004**	**8,951,362**

The Group has written off some amounts from capital work in progress during the year which are no longer usable and no future economic benefit is expected from these assets.

Breakup of capital work in progress is as follows:

	Parent company		Group	
	2016	2015	**2016**	2015
	RO	RO	**RO**	RO
Civil works	**31,892**	243,272	**31,892**	243,272
Plant and machinery	**-**	752,273	**-**	752,273
Advance paid for purchases	**-**	50,257	**-**	50,257
Software development	**-**	-	**9,601**	7,202
	31,892	1,045,802	**41,493**	1,053,004

Plant and machinery has been acquired for the new plant to be set up in Salalah. Advance paid for purchases includes advance given for various assets including fishing boats.

7. Investment in subsidiaries

The was no movement in investment in subsidiaries during the current and prior years:

	Parent company	
	2016	2015
	RO	RO
At 1 April and 31 March	**515,750**	515,750

7. Investment in subsidiaries (continued)

Details regarding the Parent company's subsidiaries are set out below:

Company name	Country of incorporation	Year end	Percentage held 2016	Percentage held 2015	Principal activities
Oman Fisheries Co. FZE	UAE	31 March	**100%**	100%	Procurement and sale of fish and fish products
Al Ameen Stores and Refrigeration LLC	Sultanate of Oman	31 March	**100%**	100%	Storing of fish, meat, chicken, vegetables and fruits.

8. Held-to-maturity financial assets

	Parent and Group company	
	2016	2015
	RO	RO
At 1 April	**966,640**	968,018
Premium amortised during the year	**(1,379)**	(1,378)
At 31 March	**965,261**	966,640

Held-to-maturity financial assets consists of bonds issued by a commercial bank of RO 965,261 (2015 – RO 966,640) which earn interest at the rate of 8% (2015 – 8%) per annum with maturity on 7 May 2016.

9. Inventories

	Parent company		Group	
	2016	2015	**2016**	2015
	RO	RO	**RO**	RO
Fish	**1,244,237**	4,359,153	**1,244,237**	4,359,153
Packing materials	**316,685**	569,869	**946,050**	772,889
Maintenance spares	**83,128**	111,871	**83,128**	111,871
Others	**15,973**	24,861	**15,973**	24,861
	1,660,023	5,065,754	**2,289,388**	5,268,774
Less: allowance for slow moving and obsolete inventory	**(155,301)**	(132,147)	**(155,301)**	(132,147)
	1,504,722	4,933,607	**2,134,087**	5,136,627

Movement in allowance for slow moving and obsolete inventory was as follows:

	Parent and Group company	
	2016	2015
	RO	RO
At 1 April	**132,147**	20,000
Charge for the year	**23,154**	112,147
At 31 March	**155,301**	132,147

10. Trade and other receivables

	Parent company		Group	
	2016	2015	**2016**	2015
	RO	RO	**RO**	RO
Trade receivables	**3,080,535**	2,776,596	**3,793,287**	3,136,652
Less: allowance for doubtful debts	**(164,564)**	(38,000)	**(172,887)**	(38,000)
	2,915,971	2,738,596	**3,620,400**	3,098,652
Due from related parties (Note 21)	**1,248,564**	828,512	**-**	-
Accrued income	**38,455**	39,397	**38,455**	39,397
Advances to suppliers	**492,654**	445,858	**548,180**	471,022
Prepayments	**143,179**	177,096	**162,857**	197,055
Other receivables	**187,947**	87,611	**235,103**	92,385
	5,026,770	4,317,070	**4,604,995**	3,898,511

At the reporting date 53% of trade receivables are receivable from three parties outside the Sultanate of Oman and three parties in the Sultanate of Oman (2015 - 49% from two parties outside the Sultanate of Oman and three parties in the Sultanate of Oman).

Movement in allowance for doubtful debts for the year was as follows:

	Parent company		Group	
	2016	2015	**2016**	2015
	RO	RO	**RO**	RO
At 1 April	**38,000**	-	**38,000**	-
Charge for the year	**126,564**	38,000	**134,887**	38,000
At 31 March	**164,564**	38,000	**172,887**	38,000

Details of gross exposure of trade receivables are set out below:

	Parent company		Group	
	2016	2015	**2016**	2015
	RO	RO	**RO**	RO
Not due	**2,565,846**	2,367,453	**3,227,619**	2,714,134
Past due but not impaired	**350,125**	371,143	**392,781**	384,518
Past due and impaired	**164,564**	38,000	**172,887**	38,000
	3,080,535	2,776,596	**3,793,287**	3,136,652

As of 31 March 2016, past due but not impaired related to a number of independent customers for whom there is no recent history of default. The ageing analysis of these past due trade receivables is as follows:

	Parent company		Group	
	2016	2015	**2016**	2015
	RO	RO	**RO**	RO
Due from 2 to 6 months	**329,733**	90,470	**364,818**	103,845
Due above 6 months	**20,392**	280,673	**27,963**	280,673
	350,125	371,143	**392,781**	384,518

10. Trade and other receivables (continued)

The net carrying amounts of the Group's trade receivables are denominated in the following currencies:

	Parent company		Group	
	2016	2015	**2016**	2015
	RO	RO	**RO**	RO
USD	**1,870,071**	2,056,806	**1,870,071**	2,056,806
Rial Omani	**1,210,464**	719,790	**1,922,672**	1,079,302
UAE Dirhams	**-**	-	**544**	544
	3,080,535	2,776,596	**3,793,287**	3,136,652

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Group does not hold any collateral as security.

11. Financial assets at fair value through profit or loss

The movement in financial assets at fair value through profit or loss is as follows:

	Parent company and Group	
	2016	2015
	RO	RO
At 1 April	**316,874**	289,520
Sold during the year	**(4,344)**	(1,205)
Fair value (loss) / gain	**(1,754)**	28,559
	310,776	316,874

Investments at fair value through profit or loss can be analysed based on sectors as follows:

	Parent company and Group			
		2016		2015
	Cost	**Fair value**	Cost	Fair value
	RO	**RO**	RO	RO
Banking	**39,298**	**34,156**	48,993	43,307
Services	**214,581**	**215,262**	188,909	214,706
Industrial	**58,761**	**61,358**	51,492	58,735
Investment	**-**	**-**	126	126
	312,640	**310,776**	289,520	316,874

Details of investments held by the Parent company and Group which exceed 10% of the market value of the Group's total investment portfolio, are as follows:

2016	% of investment portfolio	Number of shares	Market value	Cost
			RO	**RO**
Bank Muscat SAOG	**10.4**	**99,677**	**32,418**	**37,688**
Oman Telecommunication Co. SAOG	**14.6**	**29,800**	**45,445**	**50,064**
SMN Power Holding Co. SAOG	**13.7**	**58,110**	**42,537**	**38,353**
Omani Qatari Telecommunication Co. SAOG	**51.4**	**221,700**	**159,624**	**154,303**

11. Financial assets at fair value through profit or loss (continued)

2015	% of investment portfolio	Number of shares	Market value	Cost
Bank Muscat SAOG	11.5	69,339	36,472	43,205
Oman Telecommunication Co. SAOG	15.9	30,000	50,400	45,000
SMN Power Holding Co. SAOG	12.1	58,110	38,353	31,670
Omani Qatari Telecommunication Co. SAOG	48.7	221,700	154,303	133,907

12. Cash and bank

	Parent company		Group	
	2016 RO	2015 RO	**2016 RO**	2015 RO
Cash in hand	**22,093**	80,427	**22,093**	80,427
Cash at bank	**1,269,881**	601,082	**1,349,867**	653,933
Cash and cash equivalents	**1,291,974**	681,509	**1,371,960**	734,360

13. Share capital

The authorised and issued share capital comprises of 125,000,000 (2015 - 125,000,000) fully paid ordinary shares of RO 0.100 (2015 - RO 0.100) each.

Shareholders of the Company who own 10% or more of the Company's shares and the number of shares they hold are as follows:

	2016		2015	
	Number of shares	**% holding**	Number of shares	% holding
Government of the Sultanate of Oman	**30,000,000**	**24**	30,000,000	24

14. Legal reserve

In accordance with the Commercial Companies Law of Oman 1974, as amended, annual appropriations of 10% of the profit for the year are made to this reserve until the accumulated balance amounts to at least one third of the value of paid-up share capital of the Parent company and the subsidiary based in Oman. This reserve is not available for distribution. No appropriation was made for the Parent company during the year because of the loss incurred.

15. Capital reserve

Capital reserve represents the excess of share issue fees received, after deducting expenses incurred up to 31 March 1990. This reserve is not available for distribution.

16. Term loan

A subsidiary company has obtained a loan from a local commercial bank repayable in 10 years with first monthly instalment due in April 2013. The facility is secured against the corporate guarantee given by the Parent company and carries mark-up at 2.9% in the first year and 3% thereafter on the outstanding balance of loan.

16. Term loan (continued)

	Group	
	2016	2015
	RO	RO
Term loan	**1,399,988**	1,599,992
Current portion	**(200,004)**	(200,004)
Non-current portion	**1,199,984**	1,399,988

The loan is repayable as follows:

	Group	
	2016	2015
	RO	RO
Within one year	**200,004**	200,004
In the second year	**200,004**	200,004
In the third to fifth year	**600,012**	600,012
After five years	**399,968**	599,972
	1,399,988	1,599,992

17. End of service benefits

	Parent company		Group	
	2016	2015	**2016**	2015
	RO	RO	**RO**	RO
At 1 April	**152,321**	162,618	**157,566**	168,559
Charge for the year	**26,129**	23,175	**28,354**	26,170
Paid during the year	**(38,272)**	(33,472)	**(40,940)**	(37,163)
At 31 March	**140,178**	152,321	**144,980**	157,566

18. Short term loans

During the year the Company has obtained short term loans from local commercial banks repayable in the year. The facility is secured against the corporate guarantee given by the Parent company and carries mark-up at 2 to 2.8%.

19. Trade and other payables

	Parent company		Group	
	2016	2015	**2016**	2015
	RO	RO	**RO**	RO
Trade payables	**786,239**	935,045	**716,845**	947,645
Accrued expenses	**595,022**	570,819	**715,261**	633,576
Advances from customers	**106,216**	106,010	**106,216**	106,010
	1,487,477	1,611,874	**1,538,322**	1,687,231

20. Net assets per share

Net asset per share is calculated by dividing the net assets attributable to shareholders of the Parent company by the number of shares outstanding at the reporting date:

20. Net assets per share (continued)

	Parent company		Group	
	2016	2015	**2016**	2015
	RO	RO	**RO**	RO
Net assets (RO)	**11,431,461**	12,954,332	**12,904,671**	13,347,583
Number of shares at 31 March	**125,000,000**	125,000,000	**125,000,000**	125,000,000
Net assets per share (RO)	**0.091**	0.104	**0.103**	0.107

21. Related parties

The Group and the Parent company enter into transactions with shareholders with significant influence, other shareholders and with entities over which Directors have an interest (other related parties). The Parent company in addition transacts with subsidiaries in the ordinary course of business, the Group and Parent company sell goods and procure goods and services from these related parties.

a) Year end balances arising from sales and purchases of goods and services are as follows:

Due from related parties

	Parent company	
	2016	2015
	RO	RO
Al Amin Cold Stores LLC	**1,179,170**	769,855
Oman Fisheries FZE – Sharjah	**69,394**	58,657
	1,248,564	828,512

Amounts due from related parties do not carry interest and have no fixed repayment schedule but management has estimated the receipts expected within the next twelve months and classified them as a current receivable.

Due to related parties

	Parent company	
	2016	2015
	RO	RO
Al Amin Cold Stores LLC	**1,097,712**	338,220
Oman Fisheries FZE – Sharjah	**1,125**	1,125
	1,098,837	339,345

b) Transactions with related parties during the year were as follows:

	Parent company	
	2016	2015
	RO	RO
Sales of goods	**-**	3,297
Hire charges of cold store	**643,296**	716,623
Hire charges of vehicles	**199,971**	362,015
Consultancy charges	**24,000**	24,000

21. Related parties (continued)

c) Key management compensation

	Parent company and Group	
	2016	2015
	RO	RO
Sitting fees for directors	**28,750**	31,400
Directors' remuneration	**-**	18,600
	28,750	50,000
Salaries and allowances	**122,696**	116,704
Other benefits and expenses	**26,874**	23,550
End of service benefits	**7,771**	7,795
	157,341	148,049

22. Sales

	Parent company		Group	
	2016	2015	**2016**	2015
	RO	RO	**RO**	RO
Export sales	**18,197,701**	18,676,973	**18,197,701**	18,680,869
Local sales	**4,412,652**	4,457,846	**7,659,021**	5,214,103
	22,610,353	23,134,819	**25,856,722**	23,894,972

23. Other operating income

	Parent company		Group	
	2016	2015	**2016**	2015
	RO	RO	**RO**	RO
Income from stores	**-**	-	**396,784**	221,968
Income from sale of ice	**52,731**	70,209	**52,731**	70,209
Compensation from Ministry	**125,807**	175,000	**125,807**	175,000
Lease rentals	**523,392**	-	**523,392**	-
Reversal of provision	**49,611**	-	**49,611**	-
Sale of scrap	**24,610**	-	**24,610**	-
Insurance claim	**16,076**	-	**16,076**	-
Others	**262,517**	179,429	**258,399**	179,523
	1,054,744	424,638	**1,447,410**	646,700

24. Cost of goods sold

	Parent company		Group	
	2016	2015	**2016**	2015
	RO	RO	**RO**	RO
Opening stock of fish	**4,247,006**	2,123,739	**4,247,006**	2,123,739
Purchases	**13,643,588**	17,968,245	**15,998,875**	17,971,542
Processing charges	**1,415,070**	1,354,037	**771,774**	1,354,037
Packing material consumed	**890,203**	670,369	**890,203**	670,369
Trading cost	**-**	-	**-**	621,896
Hire charges of cold store	**664,998**	812,937	**465,027**	96,314
Closing stock of fish	**(1,132,090)**	(4,247,006)	**(1,132,090)**	(4,247,006)
	19,728,775	18,682,321	**21,240,795**	18,590,891

25. Staff costs

	Parent company		Group	
	2016	2015	**2016**	2015
	RO	RO	**RO**	RO
Salaries, wages and bonus	**857,578**	2,151,329	**1,034,803**	2,340,132
Air passage and leave salary	**142,630**	167,766	**161,197**	189,004
Housing expenses	**59,523**	80,274	**60,110**	84,030
Staff insurance	**12,652**	44,867	**12,652**	44,867
Social security costs	**49,747**	71,037	**56,615**	77,251
End of service benefits	**26,129**	23,175	**28,354**	26,170
Others	**244,560**	159,631	**246,767**	164,280
	1,392,819	2,698,079	**1,600,498**	2,925,734

26. Other operating expenses

	Parent company		Group	
	2016	2015	**2016**	2015
	RO	RO	**RO**	RO
Freight	**1,656,903**	1,847,712	**1,656,903**	1,847,712
Repairs and maintenance	**388,216**	287,681	**414,556**	359,991
Vehicle expenses	**225,656**	402,275	**416,468**	333,101
Electricity, water and fuel	**144,761**	231,264	**225,285**	295,419
Export related expenses	**93,549**	99,335	**93,549**	99,335
Sundry expenses	**206,881**	216,491	**193,036**	280,844
Ice charges	**37,405**	168,498	**37,405**	168,498
Advertisement and sales promotion expenses	**32,742**	88,800	**32,742**	88,829
Professional fees	**69,625**	40,287	**96,867**	68,629
Insurance costs	**95,398**	99,890	**107,585**	113,231
Agency fee	**9,708**	40,968	**12,583**	40,968
Rent	**68,145**	59,619	**91,125**	75,866
Communication expenses	**35,985**	40,864	**36,575**	48,896
Traveling and entertainment	**31,581**	31,417	**39,743**	31,417
Directors' remuneration (Note 21)	**-**	18,600	**-**	18,600
Printing and stationery	**8,766**	13,322	**11,331**	16,262
Directors' sitting fees (Note 21)	**32,050**	31,400	**37,150**	31,400
Bank charges	**10,339**	6,790	**15,431**	12,662
Bad debts expenses	**13,782**	-	**13,782**	-
Allowance for doubtful debts	**126,564**	38,000	**134,887**	38,000
	3,288,056	3,763,213	**3,667,003**	3,969,660

27. Investment income - net

	Parent company and Group	
	2016	2015
	RO	RO
Dividend income	**15,003**	17,041
(Loss) / gain on sale of financial assets at fair value through profit or loss	**(3,224)**	25
Fair value (loss) / gain on financial assets at fair value through profit or loss – net	**(1,754)**	28,559
	(10,025)	45,625

28. Finance income / (cost)

	Parent company		Group	
	2016	2015	**2016**	2015
	RO	RO	**RO**	RO
Finance income				
Interest income on deposits	**790**	3,292	**790**	3,292
Interest income on held to maturity financial assets	**76,044**	75,833	**76,044**	75,833
	76,834	79,125	**76,834**	79,125
Finance cost				
Interest expense on short term loan and overdraft	**62,990**	(39,818)	**(108,527)**	(91,101)
	62,990	(39,818)	**(108,527)**	(91,101)

29. Loss per share - basic and diluted

The loss per share have been derived by dividing the net loss for the year attributable to shareholders of the Parent company by the weighted average number of shares outstanding. As there are no dilutive potential shares, the diluted earnings per share are identical to the basic earnings per share.

	Parent company		Group	
	2016	2015	**2016**	2015
Loss attributable to shareholders (RO)	**(1,526,171)**	(2,077,381)	**(446,212)**	(1,753,714)
Weighted average number of shares outstanding	**125,000,000**	125,000,000	**125,000,000**	125,000,000
Loss per share (RO)	**(0.012)**	(0.017)	**(0.0036)**	(0.014)

30. Taxation

The Company is subject to income tax at the rate of 12% of taxable profits in excess of RO 30,000 in accordance with the income tax laws of the Sultanate of Oman.

Parent company	**2016**	2015
	RO	RO
Current year	**-**	-
Prior years	**7,394**	-
Income tax expense	**7,394**	-
Group		
Current tax:		
Current year	**135,830**	-
Prior years	**7,394**	-
Income tax expenses	**143,224**	-
Deferred tax charge / (reversal)	**2,858**	(13,297)
Taxation	**146,082**	**(13,297)**

Deferred income tax is calculated on all temporary differences under the liability method using a principal tax rate of 12% (2015 - 12%). The net deferred tax asset in the statement of financial position and deferred tax (charge)/credit in the profit or loss is attributable to the following items:

30. Taxation (continued)

Parent company and Group	1 April 2015	(Charged) / (credited) to profit or loss	31 March 2016
	RO	**RO**	**RO**
Deferred tax asset			
Allowance for obsolete inventory	**2,400**	**-**	**2,400**
Depreciation	**(7,603)**	**-**	**(7,603)**
Unused tax losses	**18,561**	**-**	**18,561**
	13,358	**-**	**13,358**
Deferred tax liability			
Depreciation	**(70,275)**	**(2,858)**	**(73,133)**

Parent company and Group	1 April 2014	(Charged) / credited to profit or loss	31 March 2015
	RO	RO	RO
Deferred tax asset			
Allowance for obsolete inventory	2,400	-	2,400
Depreciation	(7,603)	-	(7,603)
Unused tax losses	18,561	-	18,561
	13,358	-	13,358
Deferred tax liability			
Depreciation	(70,275)	13,297	(56,978)

The Parent company's tax assessments for the years ended 31 March 2011 has been finalised. Tax assessments for the years ended 31 March 2012 to 2016 are yet to be agreed with the Oman Taxation Authorities. The Board of Directors is of the opinion that any additional taxes that may be assessed would not be significant to the financial position of the Parent company at 31 March 2016.

Oman Fisheries FZE is registered in Free Zone Establishment with limited liability at Sharjah Airport International Free Zone (SAIF Zone) in the Emirates of Sharjah and is not subject to taxation in the UAE.

Al Ameen Stores and Refrigeration LLC, the subsidiary's tax assessment for the period ended 31 March 2013 and 2014 are yet been agreed with Oman Taxation Authorities. The Board of Directors is of the opinion that any additional taxes that may be assessed would not be significant to the financial position of the Group at 31 March 2016.

31. Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks including market risk (foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. Risk management is carried out by the management under policies approved by the Board of Directors.

31. Financial risk management (continued)

Market risk

Foreign exchange risk

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. The Group is exposed to foreign currency risk arising from currency exposures with respect to US Dollar, UAE Dirham, Saudi Riyal and Euro. In respect of the Group's transactions denominated in US Dollar, Saudi Riyal and UAE Dirham, the Group is not exposed to currency risk as the Rial Omani, Saudi Riyal and UAE Dirham are pegged to the US Dollar.

At 31 March 2016, if the Rial Omani had weakened/strengthened by 5% against the Euro with all other variables held constant, pre-tax profit for the year of the Group and the Parent company would have been RO Nil (2015 – RO Nil) higher/lower primarily as a result of monetary assets.

Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether these changes are caused by factors specific to the individual security, or its issuer, or factors affecting all securities in the market.

The Group is exposed to equity price risk because of investment in certain publicly listed companies at the Muscat Securities Market (MSM) which have been classified as financial assets at fair value through profit or loss. The Group limits market risk by maintaining a selective and strategic portfolio and by regular monitoring of the market. In addition the Group monitors actively the key factors that effect stock market movements.

The table below summarises the impact of the MSM Index on gains / losses on equity securities on the assumption that the equity index had increased / decreased by 5% with all other variables held constant:

Index	**Parent company**		**Group**	
	2016	2015	**2016**	2015
	RO	RO	**RO**	RO
MSM	**15,539**	15,844	**15,539**	15,844

Interest rate risk

Interest rate risk arises from the possibility of changes in interest rates and mismatches or gaps in the amount of assets and liabilities that mature or re-price in a given period. The Group is exposed to fair value interest rate risk on its held-to-maturity financial assets, fixed deposits placed with the commercial banks and short term loan from a commercial bank as these carry fixed interest rates.

Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group's policy is to maintain almost all of its borrowings in fixed rate instruments. During 2014 and 2013, the Group's borrowings were denominated in Rial Omani currency. The Group analyses its interest rate exposure on a regular basis and reassesses the source of borrowings and renegotiates interest rates at terms favorable to the Group.

At 31 March 2016, if the interest rate were to shift by 0.5% on held-to-maturity investments, there would be a maximum increase or decrease in the interest income by RO 4,825 (2015 - RO 379).

At 31 March 2016, if the interest rate were to shift by 0.5% on short term loan, there would be a maximum increase or decrease in the interest expense of RO 15,220 (2015 – RO 15,775).

31. Financial risk management (continued)

Credit risk

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from fixed deposits, cash and cash equivalents, held-to-maturity investments and credit exposures to customers including outstanding amounts due from related parties and committed transactions.

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

Exposure to credit risk

	Parent company		Group	
	2016	2015	**2016**	2015
	RO	RO	**RO**	RO
Held-to-maturity financial assets	**965,261**	966,640	**965,261**	966,640
Trade receivables	**3,080,535**	2,776,596	**3,793,287**	3,136,652
Due from related parties	**1,248,564**	828,512	**-**	-
Accrued income	**38,455**	39,397	**38,455**	39,397
Other receivables	**187,947**	87,611	**235,103**	92,385
Cash at bank	**1,269,881**	601,082	**1,349,867**	653,933
	6,790,643	5,299,838	**6,381,973**	4,889,007

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group's large customer base, including the default risk of the industry in the country of operation where customers operate, has an influence on credit risk. Exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit. All export customers' risks are either covered by letters of credits, insurance or by way of a bank guarantees.

The Group has significant concentrations of credit risk, details of which are provided in note 10. The Group manages concentration of its credit risk by monitoring collections within the credit period.

The maximum exposure to credit risk for trade receivables at the reporting date for the Parent company and Group by geographical region is as follows:

	Parent company		Group	
	2016	2015	**2016**	2015
	RO	RO	**RO**	RO
Local customers	**1,210,375**	765,714	**1,923,127**	1,125,770
Foreign customers	**1,870,160**	2,010,882	**1,870,160**	2,010,882
	3,080,535	2,776,596	**3,793,287**	3,136,652

The Group categorises its customers as hypermarkets, private entities and other retail customers. The maximum exposure to credit risk for trade receivables at the reporting date for the Group and Parent company by type of customer is as follows:

31. Financial risk management (continued)

	Parent company		Group	
	2016	2015	**2016**	2015
	RO	RO	**RO**	RO
Hypermarkets	**17,237**	98,912	**17,237**	98,912
Private entities	**2,093,291**	2,018,805	**2,806,043**	2,378,317
Other retail customers	**970,007**	658,879	**970,007**	659,423
	3,080,535	2,776,596	**3,793,287**	3,136,652

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damages to the Group's reputation.

In accordance with prudent risk management, the Board of Directors aim to maintain sufficient cash and an adequate amount of committed credit facilities.

Parent company

31 March 2016	**Carrying amount RO**	**Less than one year RO**	**1 to 2 years RO**	**More than 2 years RO**
Trade payables	**786,239**	**786,239**	**-**	**-**

Parent company

31 March 2015	Carrying amount RO	Less than one year RO	1 to 2 years RO	More than 2 years RO
Trade payables	935,045	935,045	-	-

Group

31 March 2016				
Trade payables	**716,845**	**716,845**	**-**	**-**
Term loan	**1,399,988**	**200,004**	**200,004**	**999,980**
	2,116,833	**916,849**	**200,004**	**999,980**

Group

31 March 2015				
Trade payables	947,645	947,645	-	-
Term loan	1,599,992	200,004	200,004	1,199,984
	2,547,637	1,147,649	200,004	1,199,984

Credit quality of financial assets

As per the credit policy of the Group, customers are extended a credit period of up to 45 days in the normal course of business. However, in some cases, due to the market conditions and historical business relationship with the customer the credit period may be extended by a further period of 15 days. The credit quality of financial assets is determined by the customers history of meeting commitments, market intelligence related information and management's trade experience.

31. Financial risk management (continued)

	Parent company		Group	
	2016	2015	**2016**	2015
	RO	RO	**RO**	RO
Trade receivables				
Counterparties without external credit rating:				
Up to 6 months	**329,733**	90,470	**364,818**	103,845
Due above 6 months	**20,392**	280,673	**27,963**	280,673
	350,125	371,143	**392,781**	384,518

Cash at bank and fixed deposits

	Parent company		Group	
	2016	2015	**2016**	2015
	RO	RO	**RO**	RO
P-1	**1,111,400**	293,317	**1,190,388**	346,168
P-2	**156,454**	19,366	**156,454**	19,366
Not rated	**2,027**	288,399	**3,025**	288,399
	1,269,881	601,082	**1,349,867**	653,933

32. Fair value estimation

All the financial assets and liabilities of the Group except for the financial assets at fair value through profit or loss are carried at amortised cost. Financial assets at fair value through profit or loss, where quoted market prices are available, are included in Level-1.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets.

Level 2 - Inputs for the assets that are not based on observable market data (that is, unobservable inputs).

The face value less any estimated credit adjustments for financial assets and liabilities with a maturity of less than one year are assumed to approximate to their fair values. The fair values of fixed deposits and short term loan are considered to approximate to their carrying amounts as these carry interest rates which are believed to be the commercial interest rates.

The table below summarises the carrying amounts and their fair values of the financial assets not presented in the statement of financial position at their fair value.

	Parent company and Group			
	Carrying value		Fair value	
	2016	2015	**2016**	2015
	RO	RO	**RO**	RO
Held-to-maturity financial assets	**965,261**	966,640	**1,013,403**	1,023,055

33. Segment information

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The Board considers the business from a group level as the group is principally engaged in one segment which is fishing, procurement, processing and sale of fish. The Board also considers the geographical segments. The directors review monthly analysis of these geographical segments by monitoring volume and value and the related debtors. As the directors effectively look at only one group level segment, all relevant details are as set out in the profit or loss and statement of financial position. The geographical distribution of revenue and receivables, based on the reports reviewed by the directors are set out as follows:

33. Segment information (continued)

Geographical segments

The geographical analysis relating to the primary segment based on the location of the Group's customers is as follows:

Sales

	Parent company		Group	
	2016	2015	**2016**	2015
	RO	RO	**RO**	RO
Far East	**8,073,652**	12,556,609	**8,368,793**	12,556,609
GCC and Middle East	**5,768,186**	5,383,404	**8,719,414**	6,143,557
Africa and others	**6,372,353**	3,735,706	**6,372,353**	3,735,706
Europe	**2,396,162**	1,459,100	**2,396,162**	1,459,100
	22,610,353	23,134,819	**25,856,722**	23,894,972

Trade receivables

	Parent company 2016 RO	Parent company 2015 RO	Group 2016 RO	Group 2015 RO
Far East	**426,291**	922,330	**426,291**	922,330
GCC and Middle East	**1,210,861**	803,714	**1,923,613**	1,163,770
Africa and others	**985,959**	482,667	**985,959**	482,667
Europe	**457,424**	567,885	**457,424**	567,885
	3,080,535	2,776,596	**3,793,287**	3,136,652

34. Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

35. Contingent liabilities and commitments

At 31 March 2016, the Parent company and Group had contingent liabilities in respect of bank guarantees amounting to RO 436,934 (2015 - RO 374,015) given in the normal course of business against which no material liabilities are expected to arise. The Parent company has also given a corporate guarantee of RO 2,000,000 (2015 – RO 2,000,000) to local commercial bank against the loan obtained by Al Ameen Stores and Refrigeration LLC.

	Parent company		Group	
	2016	2015	**2016**	2015
	RO	RO	**RO**	RO
Capital commitments	**-**	88,400	**4,514**	126,875
Purchase commitments	**17,365**	23,958	**17,365**	23,958

36. Approval of consolidated financial statements

The consolidated financial statements were approved by the Board of Directors and authorized for issue on 6 June 2016.